A6025-1

# 1984 MUTUAL FUND FACT BOOK

INVESTMENT COMPANY INSTITUTE

1600 M STREET, N.W. • WASHINGTON, D.C. 20036

**Aims and Purposes of the Investment Company Institute**

The Investment Company Institute, formerly the National Association of Investment Companies, was founded in 1941. It represents its members—mutual funds, their investment advisers and their underwriters—and their shareholders in matters of legislation, regulation, taxation, public information and advertising, statistics and economic and market research. The Institute provides a clearinghouse to which interested persons and communications media may turn for information about the mutual fund industry in the United States, and serves as spokesman and fact-finder in many areas affecting its members, their shareholders and the investing public.

# Contents


1983: A Year Of Growth . . . . . 5
What Is A Mutual Fund? . . . . . 8
Historical Background . . . . . 10
Responding To investor Needs . . . . . 11
Professional Management . . . . . 17
Growth and Development . . . . . 22
Recent Trends In Activity:
  Stock, Bond and Income Funds . . . . . 26
  Money Market and Short-Term Municipal Bonds . . . . 31
Survey Of Investor Needs . . . . . 35
Selling Mutual Funds . . . . . 38
Institutional Markets . . . . . 41
The Retirement Market . . . . . 43
Segmenting The IRA Market—
  In Search Of Opportunities . . . . . 48
Regulation and Taxation . . . . . 52
Glossary Of Mutual Fund Terms . . . . . 53
Appendix . . . . . 57
Index . . . . . 99

**EDITOR'S NOTE**

**Wherever mutual fund statistics appear in text, charts and tables throughout this volume, money market funds and short-term municipal bond funds are included only where clearly indicated.**

# 1983: A Year of Growth

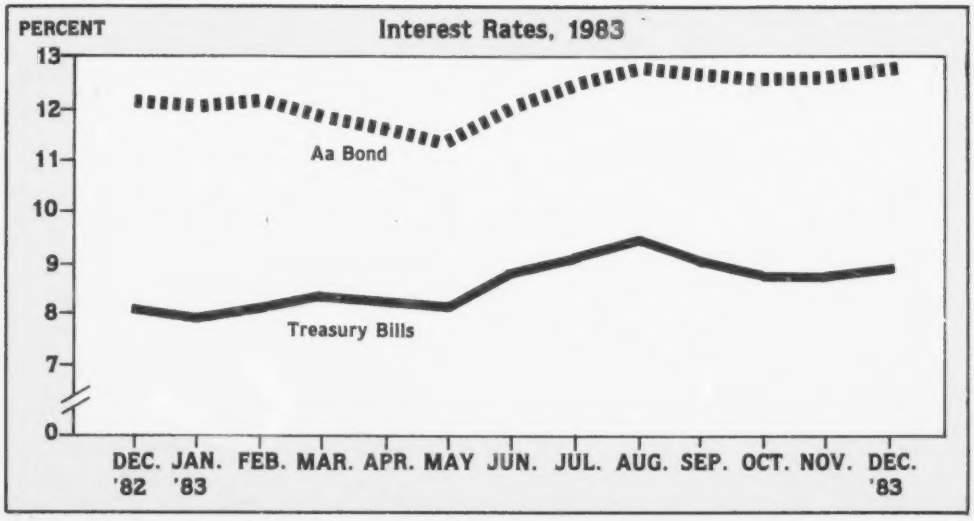
In the spring of 1984, investors are faced with conflicting signals emanating from the securities markets and the business sector. Stock prices have been in a slump since last summer. At the same time, analysts are debating the future course of interest rates. Meanwhile, the economy keeps rolling along, having just completed its fifth straight quarter of real GNP growth. Some forecasters predict the economy will cool later in the year, but few, if any, call for an actual downturn. Rounding out the picture is the expectation that inflation will increase slightly this year, but will remain in the 5 percent range. This level of inflation is still acceptable considering the recent past but does mark some deterioration from the condition which prevailed in 1983.

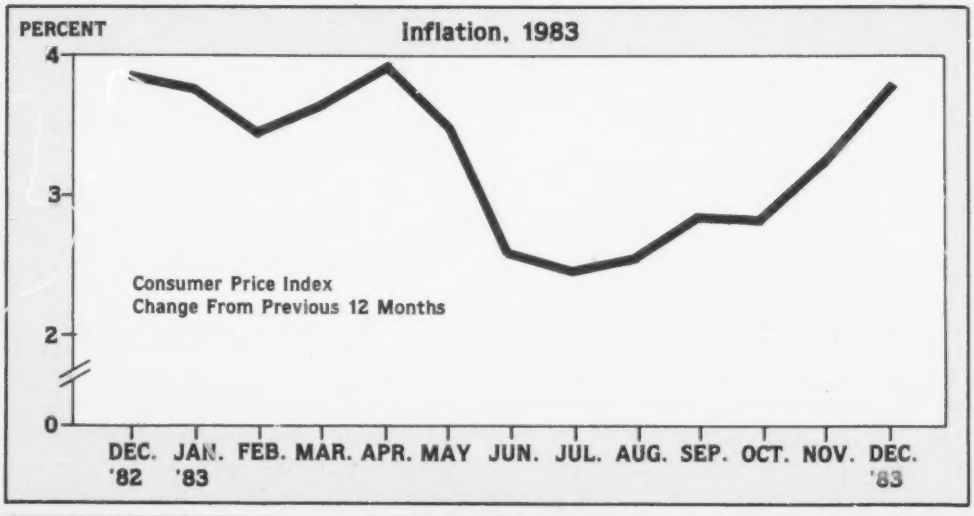
As the year 1983 began, the economy was pulling itself out of recession. Real GNP had declined about 2 percent the previous year, and most forecasters were predicting only slight growth, in the 2-3 percent range, for 1983. The recovery did begin modestly, about 2.6 percent annual real growth in the first quarter.

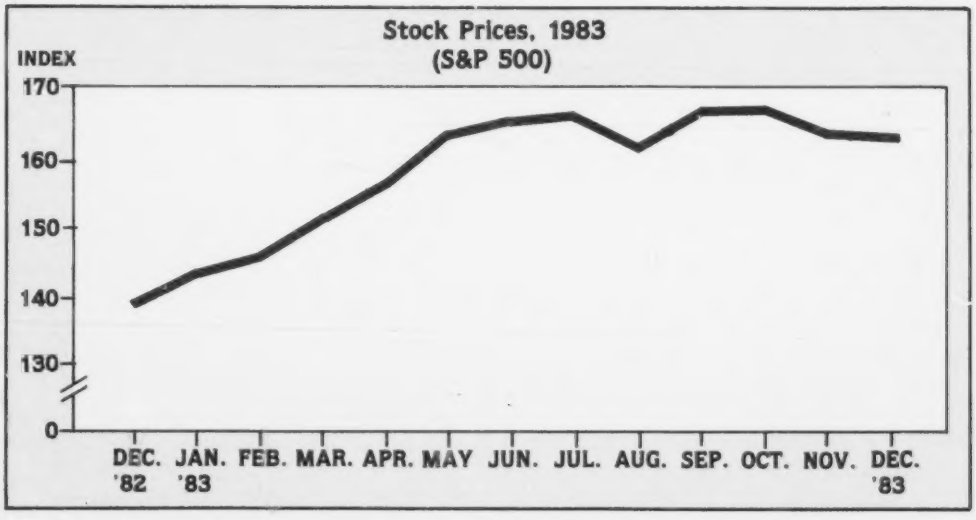
Shortly thereafter, several different factors came together to move the economy into overdrive, including: the increased household wealth resulting from a prolonged rise in securities prices, renewed confidence in the future outlook for business and inflation, and a decline in interest rates. The resulting consumer buying spree, especially in housing and autos, generated a force which radiated throughout the economy. Real growth spurted to a 9.7 percent annual rate in the second quarter, followed by 7.6 percent and 4.5 percent for the final two quarters. But while the economic statistics showed increasing strength, the financial markets were sending mixed signals.

Short-term rates began 1983 in the 7.0 percent range. During the course of the year they fluctuated in both directions, but the trend was consistently higher. Treasury bills hit 9.4 percent in August, then fell slightly to finish the year just below 9.0 percent. The prime rate, a measure of the interest charged by banks for short-term business loans, started 1983 at 11.0 percent, declined 50 basis points to 10.5 percent through the summer, then climbed back to 11.0 percent during the fall and winter. Long-term interest rates declined somewhat during the first half of 1983. Corporate bond yields fell from about 12.0 percent in January to about 11.2 percent in May. Thereafter, they began to rise again and were near 13.0 percent by year-end. The upward trend in interest rates eroded bond values. Even so, corporate bond mutual funds produced a total return of about 12.0 percent.

The stock market also experienced a turnaround during 1983. During the first six months, the S&P 500 gained nearly 20.0 percent, continuing a bull market that began the previous August. With only brief flurries on the upside, the market has been in a southerly direction ever since. For the year as a whole, the S&P 500 enjoyed a 17.3 percent price rise, indicating only minor losses during the second half. The smaller capitalization stocks on the American Stock Exchange and those sold over-the-counter had sharper declines, just as they had steeper increases during the market advance.


PERCENT
Interest Rates, 1983
13
12
11
10
9
8
7
0
Aa Bond
Treasury Bills
DEC. '82
JAN. '83
FEB.
MAR.
APR.
MAY
JUN.
JUL.
AUG.
SEP.
OCT.
NOV.
DEC. '83


PERCENT
Inflation, 1983
4
3
2
0
Consumer Price Index
Change From Previous 12 Months
DEC. '82
JAN. '83
FEB.
MAR.
APR.
MAY
JUN.
JUL.
AUG.
SEP.
OCT.
NOV.
DEC. '83


Stock Prices, 1983
(S&P 500)
INDEX
170
160
150
140
130
0
DEC. '82
JAN. '83
FEB.
MAR.
APR.
MAY
JUN.
JUL.
AUG.
SEP.
OCT.
NOV.
DEC. '83

Investment performance of common stock mutual funds in 1983 reflected the rise in the general level of stock prices. Over the past three and five years, equity funds, with dividends and capital gains reinvested, have kept their shareholders comfortably ahead of rises in the price level. Mutual funds have outpaced inflation by about 30 percentage points over both the three- and five year periods ending in 1983.

Deregulation in the financial services business continued during 1983 and competition in the market place remained intense. Money market deposit accounts (MMDAs) experienced strong growth in their first six months, due in part to the above-market rates these institutions paid during their promotional phase. Growth slowed substantially toward the end of the year, leaving about $380 billion in deposits.

The new competition from MMDAs, the bull market in stocks, and declining short-term interest rates produced significant adjustments in the activities of money market funds. Assets fell from $206.6 billion to $162.6 billion over the course of the year, a decline of 21 percent. Shareholder accounts dropped from 13.1 million to slightly over 12.3 million. The number of funds, however, continued to increase—from 282 funds at the beginning of 1983 to 307 at year-end. Thus far in 1984, accounts and assets have both been on the upswing. At the end of March accounts had risen to 12.5 million. Assets have increased steadily during the first three months of 1984 and, at the end of March, stand at 170.7 billion.

Short-term municipal bond funds continued their recent history of tremendous growth during the past year. These funds benefited from a yield spread which made their after-tax returns very attractive relative to the taxable money funds. From 38 funds at the end of 1982, the number of tax-exempt money funds grew to 66 one year later. Assets also increased dramatically from $13.2 billion to $16.8 billion. Both funds and assets are continuing their growth this year. Recent figures show 78 funds and over $21.3 billion in assets.

Sales of mutual funds, other than short-term funds, broke an industry record in 1983. Total sales of $40.3 billion were far higher than the $15.7 billion recorded in 1982. For the industry as a whole, sales exceeded redemptions by $25.6 billion, more than three times their previous high. Total assets of all funds fell slightly, from $296.7 billion to $292.9 billion, reflecting the drop in money market fund assets. Assets have rebounded in 1984, however, reaching $306.5 billion at the end of March, the highest level in 16 months.

# What Is a Mutual Fund?

A mutual fund is a financial service organization that receives money from shareholders, invests it, earns returns on it, attempts to make it grow, and agrees to pay the shareholder cash on demand for the current value of his investment.

Generally a mutual fund is an open-end management company engaged in the business of continuously issuing and offering for sale redeemable securities which represent an undivided interest in the fund's assets. Most mutual funds are corporate in form and the securities issued by them usually consist of capital stock.

The proceeds from the sale of securities issued by a mutual fund are invested in a portfolio of various kinds of securities in accordance with the stated investment policy of the particular fund. Some funds invest primarily in securities offering long-term growth, others in current income, still others in particular industries or classes of securities, and many offer various combinations of objectives.

The mutual fund shareholder may at any time cash in (redeem) his investment at the net asset value currently of the fund's shares. The value of a share in a mutual fund is calculated daily on the basis of the market value of the securities held in the fund.

When an individual buys shares in a fund he obtains them directly from the fund itself at the net asset value. Some funds include a sales commission or sales load. There are other funds that are sold with no sales commission; they are known as "no-load" funds.

Mutual funds usually contract with an outside investment adviser for investment advice and other management services, and with a principal underwriter for the distribution of the fund's shares.

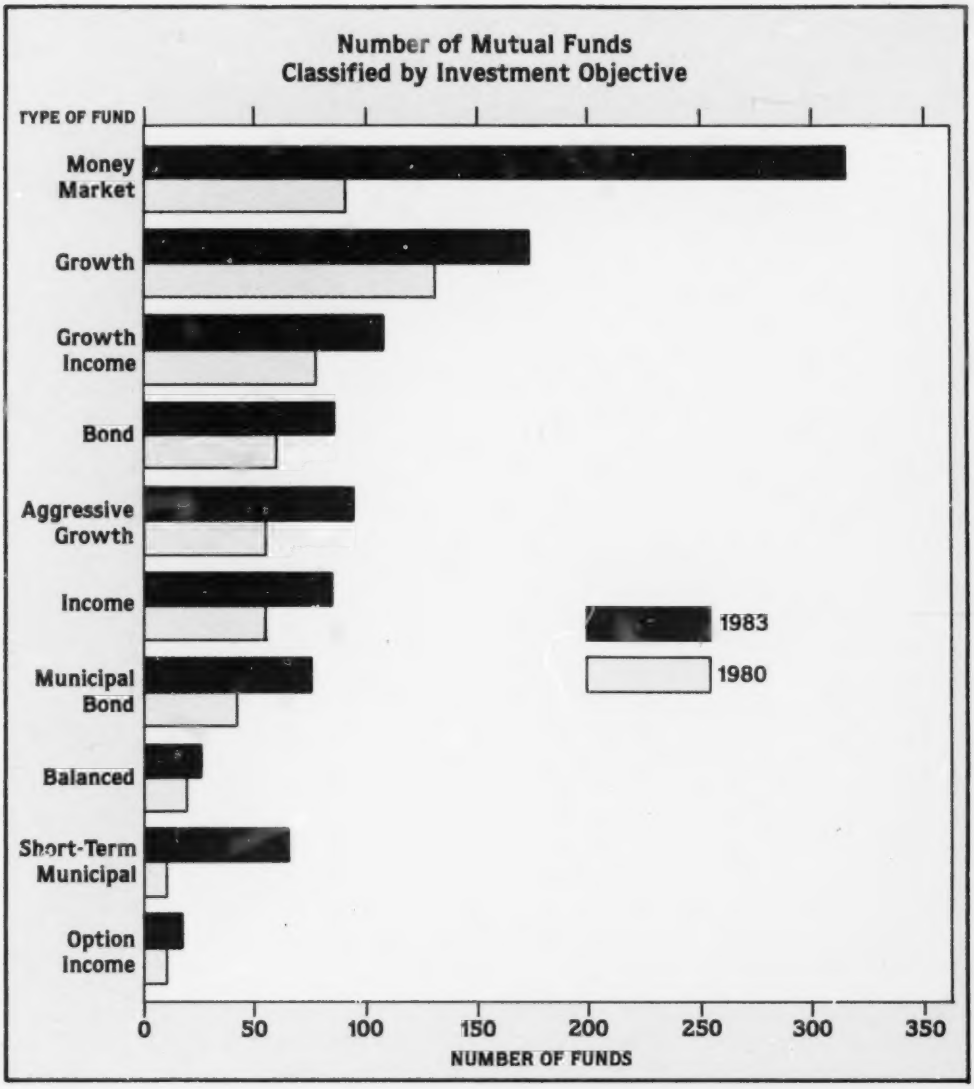
The investment adviser receives compensation for its services in the form of a fee based on the total value of the assets under management.

The principal underwriter of a mutual fund is engaged in the selling and distributing of the securities issued by the fund to the investing public through brokers and dealers, or directly through the underwriter's own salesmen, or both. The principal underwriter either purchases the securities issued by the fund for resale or acts as agent for the fund, for which it receives a fee usually in the form of a portion of the sales commission included in the selling price of the shares issued by the mutual fund.

Under the Internal Revenue Code, funds that meet certain requirements are permitted to distribute investment income and capital gains to their shareholders without first paying a tax on them. The fund is a pipeline through which the dividends, interest and other income flow from the securities held in the portfolio to the fund shareholders.

Similarly, the fund serves as a conduit for capital gains. The individual shareholder therefore treats investment income and capital gains received from the fund exactly as he would had he bought and sold securities himself without the fund serving as an intermediary.

For tax purposes, the shareholder receives from the fund a year-end statement telling him clearly what part of the money distributed to him represents long-term capital gains. He also receives from the fund regular state-




ments that not only tell him how his own investment is doing but also reports on the progress of the fund, its portfolio holdings, expenses, changes in management, and other relevant data.

Mutual funds are required to be registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940. The activities of the mutual funds and their relationship with the public are all subject to regulations under the Act. (See "Regulation and Taxation" on page 52.)

# Historical Background

The concept of the investment company came to the United States from Britain Substantial amounts of money invested in British and Scottish investment companies helped finance the development of the American economy after the Civil War. Farm mortgages, railroads and other industries in the U.S. were financed to a large extent by British companies.

With the growth of the American economy in the late 19th century and the beginning of the 20th century, many types of financial institutions appeared in this country to provide a means for investment. Investment companies were established in Boston, New York and Philadelphia by bankers, brokers, investment counsels and others who saw the need of making diversification and financial management available to investors of moderate means. The first mutual fund was organized in Boston in 1924.

In the aftermath of the 1929 crash, many efficiently managed investment companies maintained their pattern of growth and service to the American investor. These included both closed-end and open-end companies but the closed-end funds were particularly hard hit from the effects of the declining market; investors wishing to purchase shares in investment companies turned to mutual funds.

In 1936, under a Congressional mandate, the Securities and Exchange Commission commenced a study of investment companies which culminated in the Investment Company Act of 1940 (See "Regulation and Taxation" p. 52). This Act provided a framework within which the industry has been able to grow and flourish in the intervening years.

In 1940 there were 68 mutual funds with $448 million in assets and 296,000 shareholder accounts. At year-end 1983 there were 1,026 funds reporting to the Investment Company Institute with $293 billion in assets and more than 24 million shareholder accounts. This remarkable growth is ample proof that the industry has demonstrated its ability to adapt to varying conditions and respond to changing investor needs (See Responding to Investor Needs" p. 11 and "Growth and Development" p. 22). It also demonstrates that as mutual funds observe their 60th anniversary what was once an equity-oriented industry has become a financial services industry offering an ever-expanding assortment of funds and services to the investing public, from the person with a moderate income to large institutions.

It can be truly said: "There is a mutual fund to meet every investment objective."

# Responding to Investor Needs

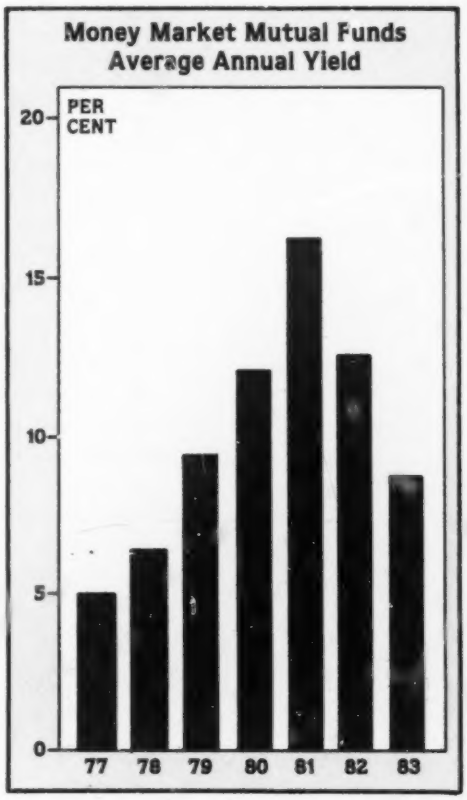
The mutual fund industry has achieved great public acceptance by adhering to a primary consumer axiom: Be responsive to needs. In their search for a measure of financial security, savers and investors need to accumulate dollars which may be used to finance retirement, a home, or other short- or long-term objectives. Mutual funds help people achieve their goals by offering them a diversified line of financial products, each of which pays a competitive return commensurate with the risks assumed.

Investors may choose fund products that closely match their own reward-risk perceptions. Moreover, they may exchange one product for another within a fund complex, if they desire. Such exchanges enable shareholders to adjust their savings-investment programs in accordance with shifts in their personal finances or changes in economic or financial conditions. In short, fund shareholders have flexibility.

In recent years, the total number of mutual funds offered to the public has grown sharply. Money market funds have been primarily responsible for this expansion, although virtually all types of funds have increased in number (see chart p. 9). A brief description of the major types of funds is shown in the box on page 15.

Through a mutual fund, the investor's objective is pursued with the advantages of diversification and professional management. Some companies aim for long-term growth of capital and income, others stress current income, and some put capital and stability first. Thus, although no fund can absolutely guarantee that its objectives will be reached due to the risks inherent in some types of investing, investors can find funds with goals similar to their own.

In recent years, money market funds have continued to provide investors with a high degree of safety and liquidity and, at the same time, have generated returns that are compatible with yields available in the money market. Since returns on instruments such as Treasury bills and bank CDs declined, yields on money market funds followed. As shown in the chart, the average annual yield on money

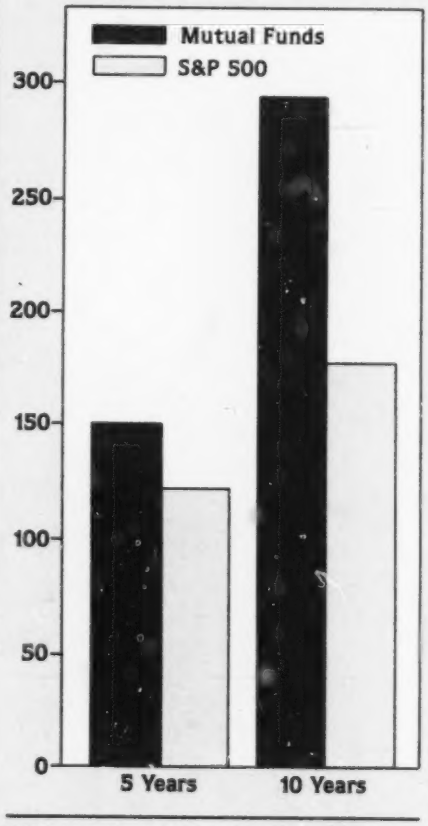


market funds was 8.57 percent in 1983 compared with a record 16.0 percent in 1981.

Investor demand for equity funds and bond and income funds has also increased in recent years, particularly in 1983. This expansion reflects both improvements in security markets and excellent investment performance by fund managers.

In recent years, total returns on equity funds—capital gains and reinvested dividends—have not only been high, but they have exceeded the rate of inflation and the overall market return as measured by the S&P 500.

**Mutual Fund Investment Performance and the S&P 500**
**Percent Change**
**Period Ending Dec. 31, 1983**




**NOTE:** Mutual fund performance is the unweighted average of the total retuns of aggressive growth, growth, and growth and income funds (with sales charge of 8.5%). Calculated by the Institute from data compiled by Computer Directions Advisors, Inc.

**Income Dividends:** Good investment performance and favorable markets mean dollars in the pockets of shareholders. After the investor has made his mutual fund purchase, he receives varying amounts of income from dividends and interest on the fund's portfolio securities, after deducting operating expenses.

In 1983, for example, investment income dividends from all types of funds amounted to $18.8 billion, compared with $25.8 billion in the preceding year. This decline from the previous year's level of dividends reflects the slightly lower levels of market interest rates available to the reduced assets managed by the money market funds. The dividends paid by the equity, bond and income funds rose from $3.8 billion in 1982 to $5.0 billion in 1983.

**Capital Gains Distributions:** Mutual funds may also distribute to shareholders, on a yearly basis, net long-term profits realized upon the sale of portfolio securities when and if they occur. These payments are called capital gains distributions. Capital gains distributed to shareholders in 1983 by equity and bond funds amounted to $4.4 billion, over 80 percent more than the prior year.

**Automatic Reinvestment:** Most mutual funds also offer shareholders plans for the automatic reinvestment of investment income dividends and capital gains distributions. In addition, most mutual funds distribute net realized long-term capital gains through the medium of an optional stock dividend by which the shareholder may receive stock at net asset value and thus keep his share of the gains at work in the company, or he may elect to receive cash.

Of the $18.8 billion received in investment income dividends in 1983, shareholders took shares instead of cash in the amount of $15.7 billion or about 84 percent. Ten years ago, div-

idend reinvestment amounted to less than $1.0 billion or 54.5 percent of the total. Similarly, of the $4.4 billion paid out to shareholders as capital gains, about 77 percent was put back into mutual fund shares.

**Dollar-Cost Averaging:** A widely recognized benefit accruing from regularly investing, particularly in equity funds, is dollar-cost averaging. This is a process whereby the shareholder invests identical amounts of money in

**Dividends and Reinvestment**
**All Types of Mutual Funds**
(Billions of Dollars)

| Year | Investment Income Dividends | Reinvested Dividends | Percentage Reinvested |
|---|---|---|---|
| 1971 | $ 1.3 | $ 0.7 | 56.3% |
| 1972 | 1.3 | 0.7 | 53.8 |
| 1973 | 1.3 | 0.7 | 54.5 |
| 1974 | 1.6 | 0.9 | 56.4 |
| 1975 | 1.6 | 1.1 | 68.1 |
| 1976 | 1.7 | 1.1 | 63.1 |
| 1977 | 1.9 | 1.3 | 65.8 |
| 1978 | 2.5 | 1.8 | 71.3 |
| 1979 | 5.2 | 3.7 | 72.2 |
| 1980 | 10.4 | 8.5 | 81.3 |
| 1981 | 21.7 | 19.7 | 91.7 |
| 1982 | 25.8 | 22.9 | 88.8 |
| 1983 | 18.8 | 15.7 | 83.5 |

**Capital Gains and Dividends**
**Distributions to Shareholders**
**All Types of Mutual Funds**
(Billions of Dollars)

| Year | Net Realized Capital Gains | Net Investment Income: Equity Bond & Income Funds | Net Investment Income: Money Market Funds | Net Investment Income: Short-Term Municipal Bond Funds |
|---|---|---|---|---|
| 1975 | $0.2 | $1.4 | $ 0.2 | N/A |
| 1976 | 0.5 | 1.6 | 0.1 | N/A |
| 1977 | 0.6 | 1.8 | 0.1 | N/A |
| 1978 | 0.7 | 2.1 | 0.4 | N/A |
| 1979 | 0.9 | 2.5 | 2.7 | N/A |
| 1980 | 1.7 | 2.7 | 7.7 | $0.1 |
| 1981 | 2.7 | 3.1 | 18.5 | 0.1 |
| 1982 | 2.4 | 3.8 | 21.7 | 0.3 |
| 1983 | 4.4 | 5.0 | 13.2 | 0.6 |

shares at regular intervals. Thus, his money buys more shares when prices are down, fewer shares when prices are high. While the process can neither assure him of a profit nor of protection against loss when security prices decline, the purchase of more shares at lower rather than higher prices tends to reduce the average cost of purchases made.

**Contractual Plans:** Another way to regularize saving is through a contractual plan. In a contractual plan an investor agrees to invest a fixed amount on a regular basis for a specified number of years. Designed as a program for the accumulation of mutual fund shares, a contractual plan should be considered as a long-term investment program, practical and convenient for accumulating capital where the objective is retirement, building an estate, or providing funds for the education of children. Since the distribution charge is deducted primarily against early payments, it is important that the plan be carried through, since termination in the early years could result in a proportionately higher sales charge.

Other products and services offered by mutal fund organizations are:

**Withdrawal Plans:** Many mutual funds offer a service whereby shareholders may receive payments from their investment at regular intervals. These may be in fixed amounts or calculated on one of several other bases. Withdrawal accounts are designed for those who wish to supplement their income for current needs, or to meet commitments of a specific nature. Generally some of the capital of the account must be withdrawn to make up the payments. There is usually a minimum investment amount required to start a withdrawal plan. The most salient feature of such plans is that the balance of the principal remains fully invested and always at work for the individual. Investors, however, should be aware that withdrawal plan payments may entail a return of part of the capital at work.

**Exchange Pivilege:** The exchange privilege enables a shareholder to transfer his investment from one fund to another within the same fund group as his needs or objectives change. For instance, an individual may have invested in a fund for growth of capital over the years, and, upon retirement, his objective becomes one of current investment income which is more suitably achieved by a fund stressing current income. Usually, exchanges are allowed at a fee that approximates the cost of the bookkeeping process of converting an account.

**Liquidity:** Open-end investment companies stand ready to redeem their shares at any time, providing the investor with a ready cash market for his shares. A shareholder can sell any or all of his shares any time and does not have to look for a buyer. The fund itself will buy them back, usually at the net asset value at time of redemption, which may be lower, the same, or higher than his cost.

The investor has used the redemption privilege at varying rates over the years. As a percentage ratio, redemptions have ranged from a high of 17.5 percent of the industry's average net assets in 1979 to a low of 4.6 percent in 1957. In 1982 and 1983 the redemption ratios have been 11.5 and 15.4 percent respectively.

**Custodian:** The mutual fund's custodian bank, which is usually under contract to the fund, holds in custody and safekeeping the securities and other assets of the mutual fund. Also, the custodian often acts as the transfer and dividend disbursing agent. However, it plays no part in the management of the fund, nor in the underwriting function.

**Taxes:** Tax reporting is simplified for the mutual fund shareholder since almost all companies advise the shareholder of the federal tax status of all

distributions—investment income or capital gains. This subject is more fully covered on page 8.

**Single Purchase:** When an investor buys shares in a mutual fund, his purchase represents a diversified list of securities, indicating his fractional holding in perhaps 50 or 100 or more corporations.

The convenience of a single certificate, embodying a stake in scores of companies, simplifies record keeping and accounting. Nowadays, an increasing number of funds will furnish the shareholder with a simple account

## Types of Mutual Funds

**Agressive Growth**

A mutual fund which seeks maximum capital appreciation through the use of investment techniques involving greater than ordinary risk, such as borrowing money in order to provide leverage, short selling, hedging, options and warrants.

**Growth**

A mutual fund whose primary investment objective is long-term growth of capital. It invests principally in common stocks with growth potential.

**Growth And Income**

A mutual fund whose aim is to provide for a degree of both income and long-term growth.

**Balanced**

A mutual fund which has an investment policy of "balancing" its portfolio, generally by including bonds, preferred stocks and common stocks.

**Option/Income**

The investment objective of these funds is to seek a high current return by investing primarily in dividend-paying common stocks on which call options are traded on national securities exchanges. Current return generally consists of dividends, premiums from expired call options, net short-term gains from sales of portfolio securities on exercises of options or otherwise, and any profits from closing purchase transactions.

**Income**

A mutual fund whose primary investment objective is current income rather than growth of capital. It usually invests in stocks and bonds that normally pay higher dividends and interest.

**Corporate Bond**

A mutual fund whose portfolio consists primarily of bonds. The emphasis of such funds is normally on income rather than growth.

**Municipal Bond**

A mutual fund which invests in a broad range of tax-exempt bonds issued by states, cities and other local governments. The interest obtained from these bonds is passed through to shareholders free of federal tax. The fund's primary objective is current tax-free income.

**Short-Term Municipal Bond**

These funds invest in municipal securities with relatively short maturities. They are also known as Tax-Exempt Money Market Funds.

**Money Market**

Also called a liquid asset or cash fund, it is a mutual fund whose primary objective is to make higher interest securities available to investors who want immediate income and high investment safety. This is accomplished through the purchase of high-yield money market instruments such as U.S. government securities, bank certificates of deposit and commercial paper.

statement in place of the formal certificate. This relieves shareholders of the problem and expense of safekeeping the valuable certificates.

**Information:** The mutual fund, in addition to filing periodic reports with the Securities and Exchange Commission, informs the shareholder regularly on the operations of the fund and what is being done with his money. Complete information about investment operations is supplied to shareholders at least twice a year, and, for most companies, four times a year. These reports list the names and the amount of securities held by the fund. They also show in most cases the major changes in investment since the last report, and contain financial statements, among other details.

On the basis of recent trends, it is evident that investors have become increasingly aware of the variety of services available in mutual funds and are making more use of them in financial planning.

# Professional Management

Full-time professional management of investments is one of the basic characteristics of the mutual fund. The careful selection, diversification and continuous supervision of securities require a high degree of experience and judgment. Variations among investment companies in these factors and in investment objectives can be expected to yield different results.

The frequency and scope of changes in economic conditions affect investment values to an extent which few investors have the time or knowledge to evaluate effectively. Management of a securities portfolio calls for specialized skills, resources of information and facilities, and time to make reasoned investment decisions.

Surveys have shown that doctors, lawyers, engineers, educators and other professionally trained people in executive and administrative work recognize the need for professional management of their investments. Consequently, they constitute a significant percentage of all mutual fund shareholders.

Whether the professional services available to shareholders are provided by a separate investment advisory company or trustees under contract to the fund or by investment management staffs employed by the company itself, the pattern of operation is the same. It involves extensive economic and investment research aimed at developing data on which intelligent decisions regarding portfolio securities can be made.

The intense and constant search for the best of relative values is made necessary by the broadness and diversity of the marketplace. It is on the basis of such appraisals that investment decisions are made on behalf of mutual funds. For this professional management, individual shareholders pay a fee usually measured by a percentage of the total fund assets under management.

In all cases, the details of professional management services, advisory fees and investment objectives are outlined in the information which each mutual fund makes available in the prospectus and through periodic reports to shareholders.

**Diversification:** Diversification is a basic investment principle utilized by all types of mutual funds. Simply stated, it means that the professional managers of mutual funds combine the money of shareholders and invest it in many types of securities. It is a well-tested method of reducing the risk inherent in all investing.

Diversification may take a number of forms:

**1. By Issuer**—Mutual fund portfolios contain securities of a variety of issuers. Various state securities laws and regulations prescribe certain requirements for diversification by companies; the Investment Company Act of 1940 requires certain minimum diversification standards for a mutual fund to qualify as a diversified company; and the Internal Revenue Code requires a certain measure of diversification for a fund to qualify as a regulated investment company.

**2. By Industry**—Most equity mutual fund companies diversify their portfolios by including securities issued by companies in many different industries.

**3. By Security Type**—Some funds concentrate their activity in U.S. Treasury Bills and other short-term securities. Other mutual funds diversify by including different types of longer-term securities in their portfolios: bonds, preferred stock, common stock, etc. Balanced funds, for example, utilize this method of diversification.

**4. By Timing Purchases and Sales**—Mutual fund managements establish a range of price levels for purchases and sales as appropriate to conditions. Purchasing and selling over periods of time tend to diversify costs or sale prices.

**Money Market Funds Asset Composition Year-End 1983**
(Billions of Dollars)

| | |
|---|---|
| U.S. Treasury Bills | $ 20.5 |
| Other Treasury Securities | 2.3 |
| Other U.S. Securities | 13.6 |
| Repurchase Agreements | 13.0 |
| Commercial Bank CDs | 18.9 |
| Other Domestic CDs | 5.1 |
| Eurodollar CDs | 21.9 |
| Commercial Paper | 46.6 |
| Bankers' Acceptances | 19.6 |
| Cash Reserves | (0.3) |
| Other | 1.3 |
| Total Net Assets | $162.5 |
| Average Maturity (Days) | 37 |
| Number of Funds | 307 |

**Money Market Funds:** While not insured, money market funds are relatively safe investments because of the diversification and quality of their portfolios. These portfolios mainly include short-term debt issues of private banks, business corporations, and securities of the U.S. Government.

Most of the issues in money market portfolios have broad and active markets and can be easily sold, if necessary. The maturities of these issues are short. Last year, for example, the combined portfolio of 307 such funds averaged only 37 days.

Short maturities limit the possibility of capital loss and generate a large daily volume of dollars from securities which are maturing. These dollars may be reinvested or used to meet redemptions.

**Specialized Portfolios:** Some mutual funds concentrate almost entirely on the so-called "blue-chip" common stocks, those issued by large and well-known corporations which are leaders within their respective fields and which have long records of satisfactory dividend payments and earnings, and responsible management.

Others may specialize in so-called "growth" company stocks, which, because of the nature of their products or services or financing or other reasons, are believed to offer opportunities for substantially increased income and profits in the future as the companies develop.

There are some common stock mutual funds which specialize in a particular industry or related industries, usually investing in the securities of many different firms in that industry or group of industries.

**Security Selections:** There are approximately 25,000 securities issues

**Portfolio Composition of Equity, Bond, and Income Funds December 1983**
(Billions of Dollars)

| | |
|---|---|
| Common Stock | $ 72.9 |
| Preferred Stock | 1.5 |
| Municipal Bonds (long term) | 13.4 |
| Corporate Bonds | 13.1 |
| U.S. Gov't. Sec. (long term) | 3.9 |
| U.S. Gov't. Sec. (short term) | 1.8 |
| Liquid Assets | 6.5 |
| Other | 0.5 |
| Total Net Assets | $113.6 |

available on the organized exchanges and in the over-the-counter markets of the nation, with an estimated value of about $2.1 trillion. It is from among these issues and values that mutual fund companies held assets totalling $113.6 billion in 1983.

Out of all these thousands of securities which are traded on the national exchanges and markets, an estimated

## DIVERSIFICATION OF MUTUAL FUND PORTFOLIOS
## COMMON STOCK HOLDINGS BY INDUSTRIES
(In Millions of Dollars)

| | Market Value 1973 | Market Value 1978 | Market Value 1983 |
|---|---|---|---|
| Agricultural Equipment | $ 95.1 | $ 49.7 | $ 108.8 |
| Aircraft Mfg. & Aerospace | 211.7 | 580.8 | 583.5 |
| Air Transport | 460.8 | 427.4 | 509.6 |
| Auto & Accessories (excl. Tires) | 679.1 | 485.0 | 868.3 |
| Building Materials & Equipment | 810.3 | 449.8 | 494.7 |
| Chemicals | 1,579.5 | 1,008.7 | 1,523.4 |
| Communications (TV, Radio, Motion Pictures) | 400.9 | 502.1 | 676.2 |
| Computer Services* | N/A | N/A | 195.3 |
| Conglomerates | N/A | N/A | 702.3 |
| Containers | 93.4 | 125.4 | 217.3 |
| Drugs & Cosmetics | 2,101.7 | 1,474.7 | 1,590.5 |
| Elec. Equip. & Electronics (excl. TV & Radio) | 1,376.3 | 963.4 | 3,560.3 |
| Financial (incl. Banks & Insurance) | 2,250.3 | 1,773.8 | 2,351.6 |
| Foods and Beverages | 886.5 | 605.5 | 694.4 |
| Hospital Supplies & Services | N/A | N/A | 316.4 |
| Leisure Time** | N/A | N/A | 644.7 |
| Machinery | 458.6 | 352.7 | 501.9 |
| Metals & Mining | 892.7 | 427.5 | 501.5 |
| Office Equipment | 2,274.1 | 1,701.7 | 1,930.7 |
| Oil | 3,784.1 | 2,484.7 | 2,415.4 |
| Paper | 794.5 | 406.2 | 538.7 |
| Printing & Publishing | N/A | N/A | 387.5 |
| Public Utilities (incl. Telephone & Natural Gas) | 1,364.6 | 1,187.5 | 2,229.9 |
| Railroads & Railroad Equipment | 695.9 | 267.6 | 346.5 |
| Retail Trade | 906.4 | 735.9 | 1,519.0 |
| Rubber (incl. Tires) | 222.2 | 79.9 | 214.2 |
| Steel | 315.0 | 270.6 | 204.9 |
| Textiles | 123.0 | 76.8 | 195.5 |
| Tobacco | 477.7 | 398.1 | 271.2 |
| Miscellaneous | 2,021.3 | 1,364.1 | 779.5 |
| **Totals** | **$25,275.7** | **$18,199.6** | **$27,073.7** |

**NOTE:** Composite industry investments drawn from the portfolios of 40 of the largest investment companies as of the end of calendar year 1983 whose total net assets represented 40.5% of total net assets of all reporting equity companies.

* Includes computer software, consultants, and time sharing.

** Includes restaurants and hotels.

10,000 equity securities plus bond issues of more than 3,000 corporations are represented in mutual fund portfolios. Holdings of common and preferred stock by all types of funds amounted to $74.4 billion at the end of 1983. Corporate and long-term municipal bonds were valued at $26.5 billion.

**Equity Mutual Funds:** Portfolio transactions conducted by equity funds are by no means confined to any single sec-

**DIVERSIFICATION OF MUTUAL FUND PORTFOLIOS**
**PERCENT OF TOTAL COMMON STOCK BY INDUSTRY**

| | Market Value 1973 | Market Value 1978 | Market Value 1983 |
|---|---|---|---|
| Agricultural Equipment | 0.38% | 0.27% | 0.40% |
| Aircraft Mfg. & Aerospace | 0.84 | 3.19 | 2.16 |
| Air Transport | 1.82 | 2.34 | 1.88 |
| Auto & Accessories (excl. Tires) | 2.69 | 2.67 | 3.21 |
| Building Materials & Equipment | 3.20 | 2.47 | 1.83 |
| Chemicals | 6.25 | 5.54 | 5.63 |
| Communications (TV, Radio, Motion Pictures) | 1.59 | 2.76 | 2.50 |
| Computer Services* | N/A | N/A | 0.72 |
| Conglomerates | N/A | N/A | 2.59 |
| Containers | 0.37 | 0.69 | 0.80 |
| Drugs & Cosmetics | 8.31 | 8.10 | 5.87 |
| Elec. Equip. & Electronics (excl. TV & Radio) | 5.44 | 5.29 | 13.15 |
| Financial (incl. Banks & Insurance) | 8.90 | 9.75 | 8.69 |
| Foods and Beverages | 3.51 | 3.33 | 2.57 |
| Hospital Supplies & Services | N/A | N/A | 1.17 |
| Leisure Time** | N/A | N/A | 2.38 |
| Machinery | 1.81 | 1.94 | 1.85 |
| Metals & Mining | 3.53 | 2.35 | 1.85 |
| Office Equipment | 9.00 | 9.35 | 7.13 |
| Oil | 14.97 | 13.65 | 8.92 |
| Paper | 3.14 | 2.23 | 1.99 |
| Printing & Publishing | N/A | N/A | 1.43 |
| Public Utilities (incl. Telephone & Natural Gas) | 5.40 | 6.53 | 8.24 |
| Railroads & Railroad Equipment | 2.75 | 1.47 | 1.28 |
| Retail Trade | 3.59 | 4.04 | 5.61 |
| Rubber (incl. Tires) | 0.88 | 0.44 | 0.79 |
| Steel | 1.25 | 1.49 | 0.76 |
| Textiles | 0.49 | 0.42 | 0.72 |
| Tobacco | 1.89 | 2.19 | 1.00 |
| Miscellaneous | 8.00 | 7.50 | 2.88 |
| **Totals** | **100.00%** | **100.00%** | **100.00%** |

**NOTE:** Composite industry investments drawn from the portfolios of 43 of the largest investment companies as of the end of calendar year 1983 whose total net assets represented 40.5% of total net assets of all reporting equity companies.

* Includes computer software, consultants, and time sharing.

** Includes restaurants and hotels.

urities market; orders to buy or sell may be executed on all organized exchanges and in the over-the-counter market. Where an order is executed depends solely upon where an issue or issues may be bought or sold on the most favorable basis in the judgment of the management.

The basic element underlying all professional management activities in the supervision of investments is the continuing correlation between portfolio composition and the long-term objectives of the mutual fund and its shareholders.

In the investment research process, experienced analysts conduct a constant appraisal of portfolio securities in terms of three distinct factors. These are: 1) general economic conditions; 2) the outlook for various industries; and 3) the prospects of individual companies, which are analyzed in terms of management, policies, sales and earnings records, competitive position and other factors.

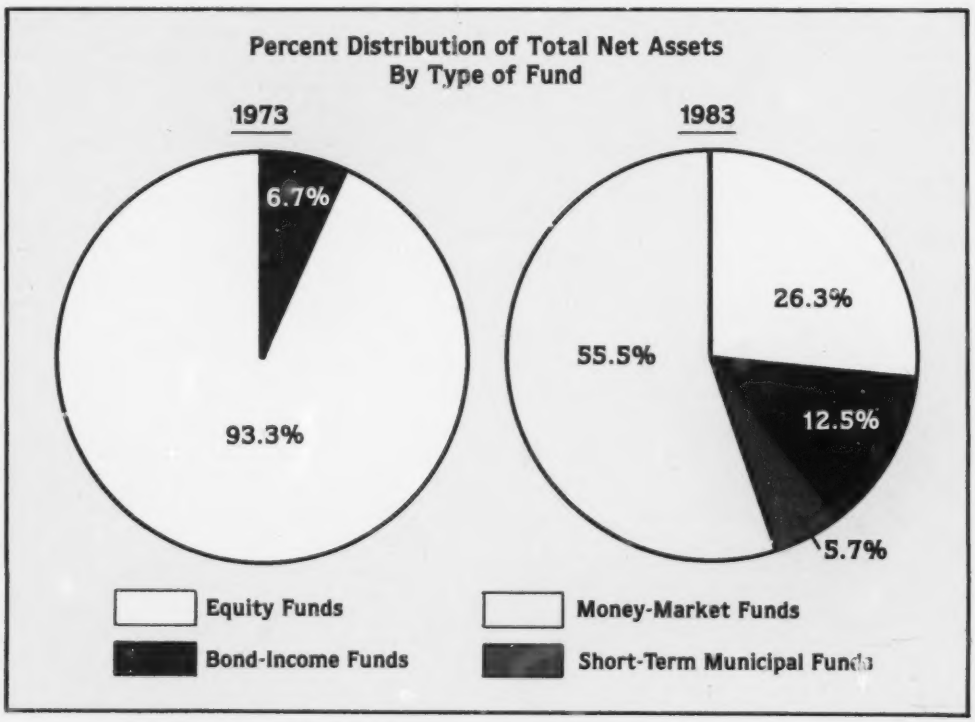
Application of the basic investment principle of diversification by equity funds can affect the relative position of the various industries represented in the portfolios. These positions are bound to vary from year to year. As the tables on pages 18 and 19 show, the three largest positions of the 43 largest equity mutual funds in 1983 were in electrical equipment and electronics, financial institutions, and oil. As might be expected, the ranking of various industries and the size of their share in fund portfolios changes through time. These variations reflect the changing views of portfolio managers regarding the attractiveness of the securities of firms in different industry groups.

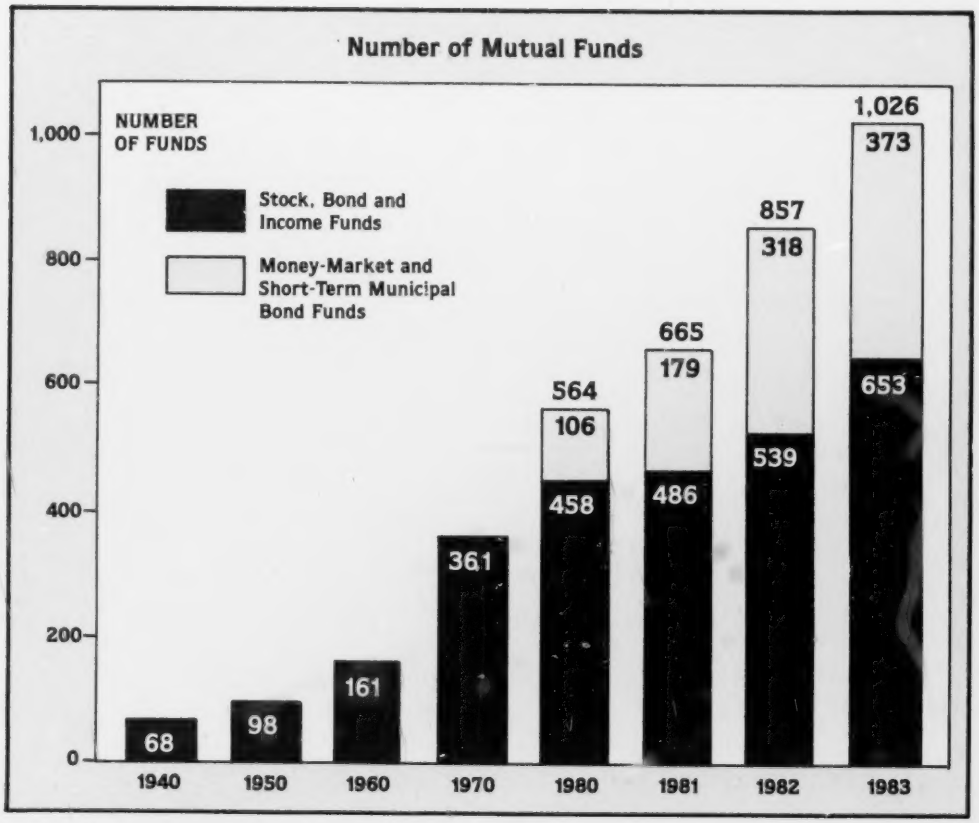
# Growth and Development

The mutual fund industry is now a diversified financial business able to respond to a varied set of investor needs. It was not always so. Ten years ago, almost 94 percent of all mutual fund assets were held by the equity funds. Today, the equity funds' share of industry assets is only 26 percent. The number of funds that the investor may choose from has also risen substantially. Funds reporting to the Institute have more than doubled in one decade to 1,026. The increasing variety and number of funds exemplifies the enormous change that has occurred in the industry.

In the 1950s and 1960s, the industry's historic concentration in equity funds paid off in enormous growth in sales and assets of the funds. This growth occurred in a period when stock prices were steadily climbing upwards with only slight interruptions. However, from 1968 to 1974 a volatile stock market, rising interest rates on alternative investments, inflation and other economic and financial uncertainties heightened investor concern about risks associated with equity products and dimmed the perception of the funds' potential returns. Consequently, investors stepped away from stocks and equity mutual funds and moved toward the relative safety of income products.

It was clear that the mutual fund industry should not continue to offer only equity products when investor de-



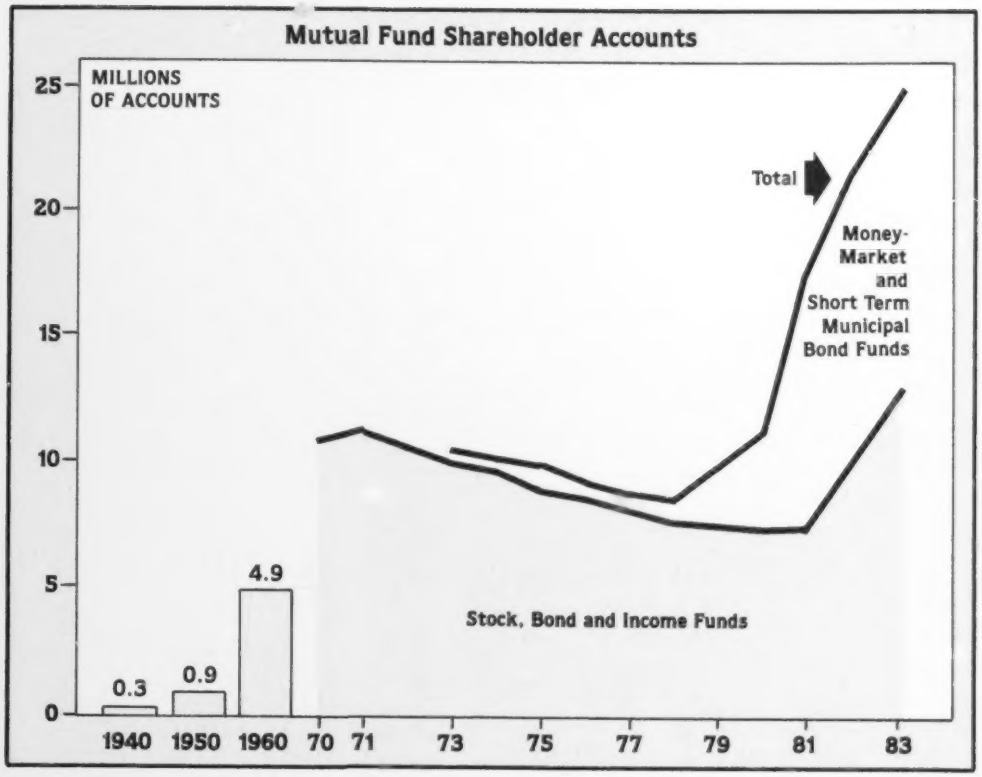


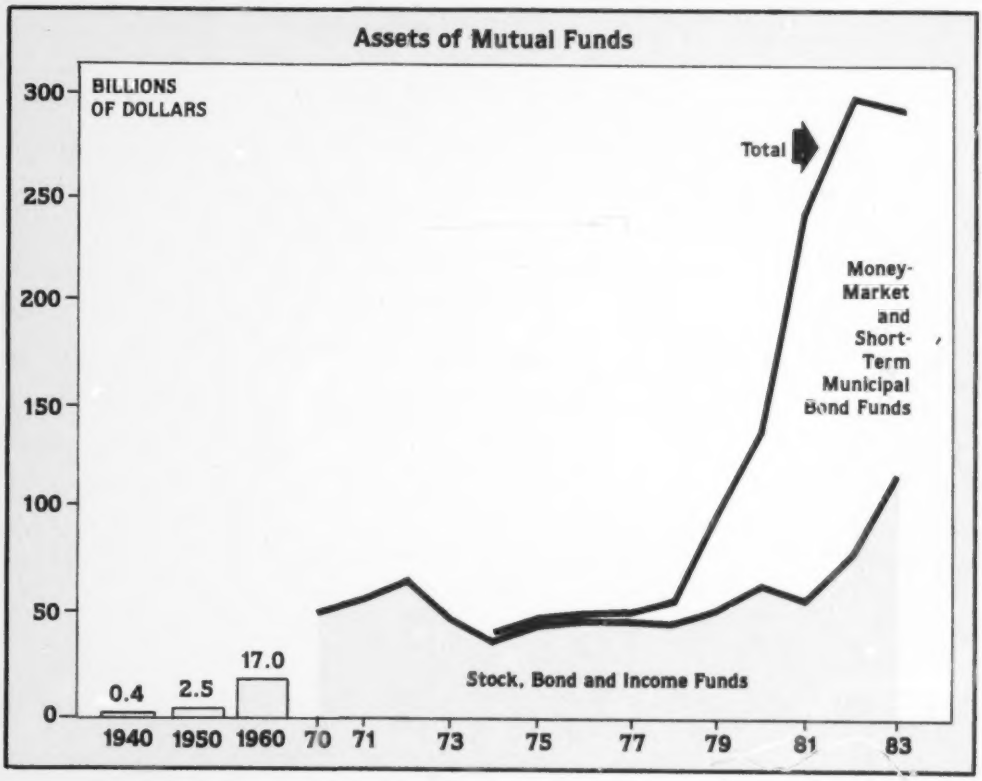

mand for them was in a state of decline. Therefore, the industry embarked on a marketing strategy to broaden its product line and encourage use of the exchange feature. To this end, it introduced money market funds, municipal bond funds and new versions of standard stock and bond funds. In the process, it took on a new image: a diversified financial business capable of providing a variety of benefits to both investors and institutions.

While transformation of the fund industry was several years in the making, the cumulative impact of the elements within the marketing strategy have come together in recent years. Sales of money market funds have quadrupled since 1979 and short-term municipal bond fund sales have likewise sky rocketed. Sales of equity and bond funds have also risen sharply since 1979, partly due to investors' recognition of the excellent performance of both types of funds.

In the same four year period, assets of all types of funds have risen substantially, with money market fund assets climbing from $45.2 billion in 1979 to $162.5 billion in 1983; short-term municipal bond funds showed impressive gains, growing from $0.3 billion to $16.8 billion; and the assets of stock, bond and income funds rose to $113.6 billion from $49.0 billion. At the end of 1983, combined assets of all mutual funds totaled $293.9 billion, tripling the 1979 level of $94.5 billion. Total shareholder accounts also increased to 24.6 million in 1983.

The exchange feature offered by mutual funds allows investors to switch their money from one type of fund to another within a family or group of funds as their investment objectives change. In recent years, exchanges between all mutual funds have risen from $5.8 billion in 1979 to $35.7 billion in 1983, demonstrating that the industry has diversified its


Mutual Fund Shareholder Accounts
MILLIONS
OF ACCOUNTS
25
20
15
10
5
0
Total
Money-
Market
and
Short Term
Municipal
Bond Funds
4.9
0.3
0.9
Stock, Bond and Income Funds
1940
1950
1960
70
71
73
75
77
79
81
83


Assets of Mutual Funds
BILLIONS
OF DOLLARS
300
250
200
150
100
50
0
Total
Money-
Market
and
Short-
Term
Municipal
Bond Funds
17.0
0.4
2.5
Stock, Bond and Income Funds
1940
1950
1960
70
71
73
75
77
79
81
83

product line sufficiently to attract and keep investors despite changes in market conditions or investment needs and objectives.

In a relatively short period of time, mutual funds have become the nation's fourth largest type of financial institution. Only commercial banks, savings and loan institutions and insurance companies are larger in size.

**Sales, Redemptions and Assets, Equity, Bond, and Income Funds**
(Billions of Dollars)

| Year | Sales | Redemptions | Net Sales | Assets |
|---|---|---|---|---|
| 1971 | $ 5.1 | $ 4.8 | $ 0.3 | $55.0 |
| 1972 | 4.9 | 6.6 | (1.7) | 59.8 |
| 1973 | 4.4 | 5.7 | (1.3) | 46.5 |
| 1974 | 3.1 | 3.4 | (0.3) | 34.1 |
| 1975 | 3.3 | 3.7 | (0.4) | 42.2 |
| 1976 | 4.4 | 6.8 | (2.4) | 47.6 |
| 1977 | 6.4 | 6.0 | 0.4 | 45.0 |
| 1978 | 6.7 | 7.2 | (0.5) | 45.0 |
| 1979 | 6.8 | 8.0 | (1.2) | 49.0 |
| 1980 | 10.0 | 8.2 | 1.8 | 58.4 |
| 1981 | 9.7 | 7.5 | 2.2 | 55.2 |
| 1982 | 15.7 | 7.6R | 8.1R | 76.8 |
| 1983 | 40.3 | 14.7 | 25.6 | 113.6 |

**Money Market Mutual Funds**
(Billions of Dollars)

| Year | Sales | Redemptions | Net Sales | Assets |
|---|---|---|---|---|
| 1974 | $ 2.2 | $ 0.5 | $ 1.7 | $ 1.7 |
| 1975 | 6.7 | 5.9 | 0.8 | 3.7 |
| 1976 | 9.4 | 9.6 | (0.2) | 3.7 |
| 1977 | 10.7 | 10.7 | 0.0 | 3.9 |
| 1978 | 30.5 | 24.3 | 6.2 | 10.9 |
| 1979 | 111.9 | 78.4 | 33.5 | 45.2 |
| 1980 | 232.2 | 204.1 | 28.1 | 74.4 |
| 1981 | 451.9 | 346.7 | 105.2 | 181.9 |
| 1982 | 581.8R | 559.6 | 22.2R | 206.6 |
| 1983 | 463.0 | 508.7 | (45.7) | 162.5 |

**Short Term Municipal Bond Funds**
(Billions of Dollars)

| Year | Sales | Redemptions | Net Sales | Assets |
|---|---|---|---|---|
| 1979 | $ 0.6 | $ 0.4 | $ 0.2 | $ 0.3 |
| 1980 | 5.3 | 3.8 | 1.5 | 1.9 |
| 1981 | 10.5 | 8.3 | 2.2 | 4.2 |
| 1982 | 29.4 | 22.2 | 7.2R | 13.2 |
| 1983 | 44.5 | 42.4 | 2.1 | 16.8 |

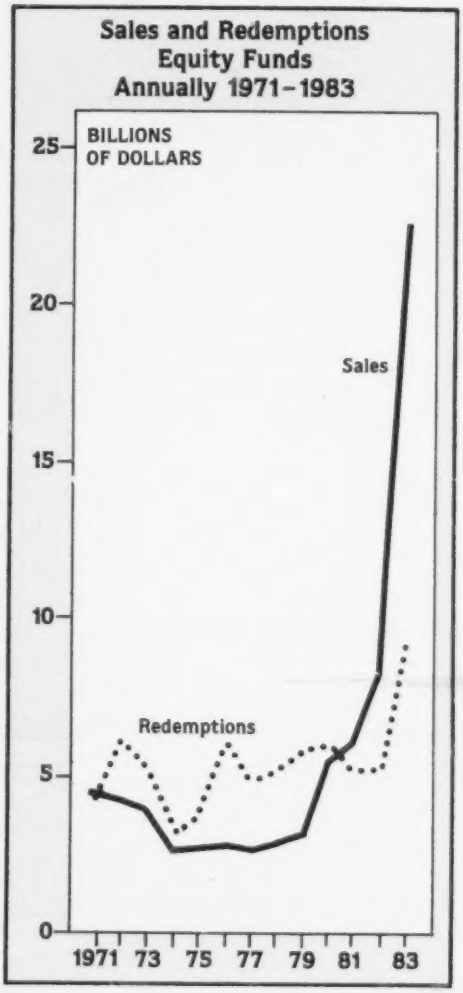
R—Revised

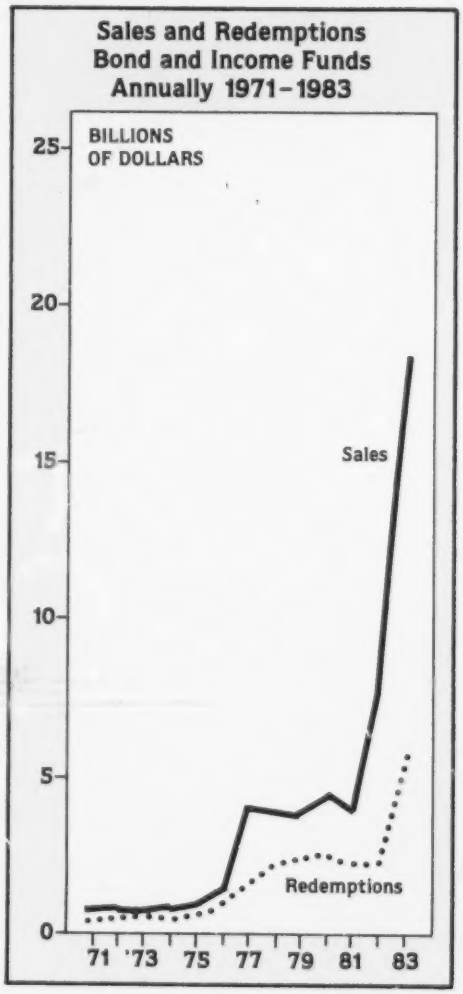
# Recent Trends in Activity: Stock, Bond and Income Funds

The sales levels of equity, bond and income funds in 1983 were by far the largest ever reached. At $40.3 billion, sales of these funds were almost three times higher than the record level set in 1982.

In 1983, sales of equity and balanced funds reached $22.4 billion. This figure is the highest annual total ever recorded for these funds. This sales volume was more than two-and-a-half times the 1982 total and about ten times the total reached at the low of 1977.

The dollar value of redemptions of equity and balanced funds rose much more slowly than sales in 1983. Consequently, sales of these funds exceeded



**Percent of Equity Funds**
**Sales and Redemptions Annually**

| | Sales | | Redemptions | |
|---|---|---|---|---|
| | 1976 | 1983 | 1976 | 1983 |
| Aggressive Growth | 10.50% | 36.48% | 7.03% | 30.88% |
| Growth | 42.63 | 37.60 | 38.86 | 35.93 |
| Growth-&-Income | 40.06 | 24.91 | 44.63 | 29.75 |
| Balanced | 6.81 | 1.01 | 9.48 | 3.44 |
| Total | 100.00% | 100.00% | 100.00% | 100.00% |

**Percent of Bond and Income Funds**
**Sales and Redemptions Annually**

| | Sales | | Redemptions | |
|---|---|---|---|---|
| | 1976 | 1983 | 1976 | 1983 |
| Income | 27.29% | 21.43% | 61.47% | 23.65% |
| Bond | 44.31 | 21.00 | 35.54 | 30.30 |
| Municipal Bond | 28.40 | 50.85 | 2.99 | 43.24 |
| Option/Income | 0.00 | 6.71 | 0.00 | 2.81 |
| Total | 100.00% | 100.00% | 100.00% | 100.00% |

redemptions by $13.3 billion, more than four times the record net sales set for these funds in 1982.

The excellent investment performance of aggressive growth, growth and growth-and-income funds, both last year and over the longer-term, is undoubtedly a key factor in the upswing of sales of each of these three types of mutual funds. Last year, growth funds reported the largest dollar volume of sales of any group of the equity funds reaching $8.4 billion. Aggressive growth funds followed close behind and substantially increased their share of total equity sales from 30 percent in 1982 to 36 percent in 1983. As a result, growth and income funds' share of sales has declined proportionately.

During 1983, renewed investor confidence in the bond market contributed to record sales levels for the bond and income funds. Their total sales last year reached $17.9 billion; demand for municipal bond funds was particularly strong, but all types of funds in the group posted increases.

The growing importance of municipal bond funds is evident in the share-of-sales statistics. In 1983, these funds accounted for half of the sales of all bond and income funds. In 1976, the comparable share was 28 percent.

The increase in sales of equity bond and income funds in 1983 resulted in total net sales of $25.6 billion. Both the equity funds and the bond and income funds posted impressive net sales figures of $13.1 billion and $12.5 billion, respectively.

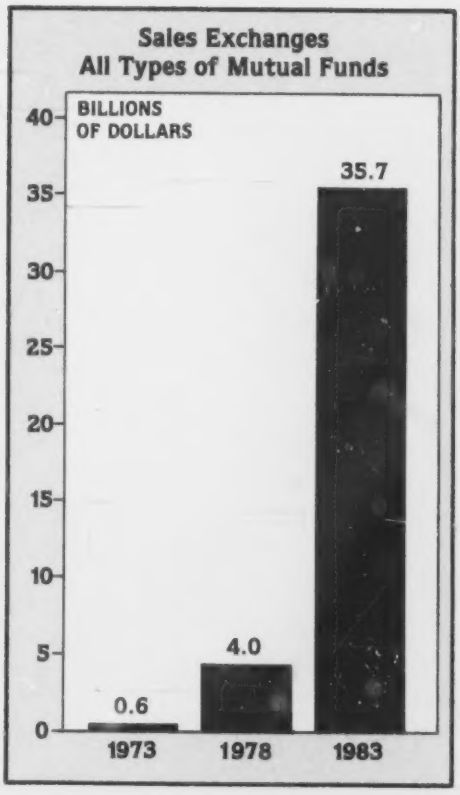
The growth of equity, bond and income funds over the last few years is clearly evident in the accompanying chart on assets. The assets of these funds totaled $113.6 billion in 1983, topping the $100 billion mark for the first time. The assets of equity funds grew 44 percent last year, resulting in a new record level of $77.0 billion. This growth is due to positive investment performance coupled with the net sales of recent years. The growing assets of bond and income funds, which totaled $36.6 billion at year-end,

## MUTUAL FUND ASSETS
(Billions of Dollars)

| INVESTMENT OBJECTIVE | YEAR-END 1982 | 1983 | Percent Change |
|---|---|---|---|
| Aggressive Growth | $ 9.6 | $ 18.7 | + 94.8% |
| Growth | 19.0 | 25.9 | + 36.3 |
| Growth-&-Income | 22.0 | 29.3 | + 33.2 |
| Balanced | 3.0 | 3.1 | + 3.3 |
| Income | 5.9 | 8.8 | + 49.2 |
| Bond | 9.1 | 11.3 | + 24.2 |
| Municipal Bond | 7.4 | 14.6 | + 97.3 |
| Option/Income | 0.8 | 1.9 | +137.5 |
| **Total** | **$ 76.8** | **$113.6** | **+ 47.9%** |
| Money Market | $206.6 | $162.5 | − 21.3% |
| Short-Term Municipal Bond | 13.2 | 16.8 | + 27.3 |
| **Total** | **$219.8** | **$179.3** | **− 18.4%** |
| **Grand Total** | **$296.6** | **$292.9** | **− 1.2%** |

## MUTUAL FUND SALES
## CLASSIFIED BY INVESTMENT OBJECTIVE
(Millions of Dollars)

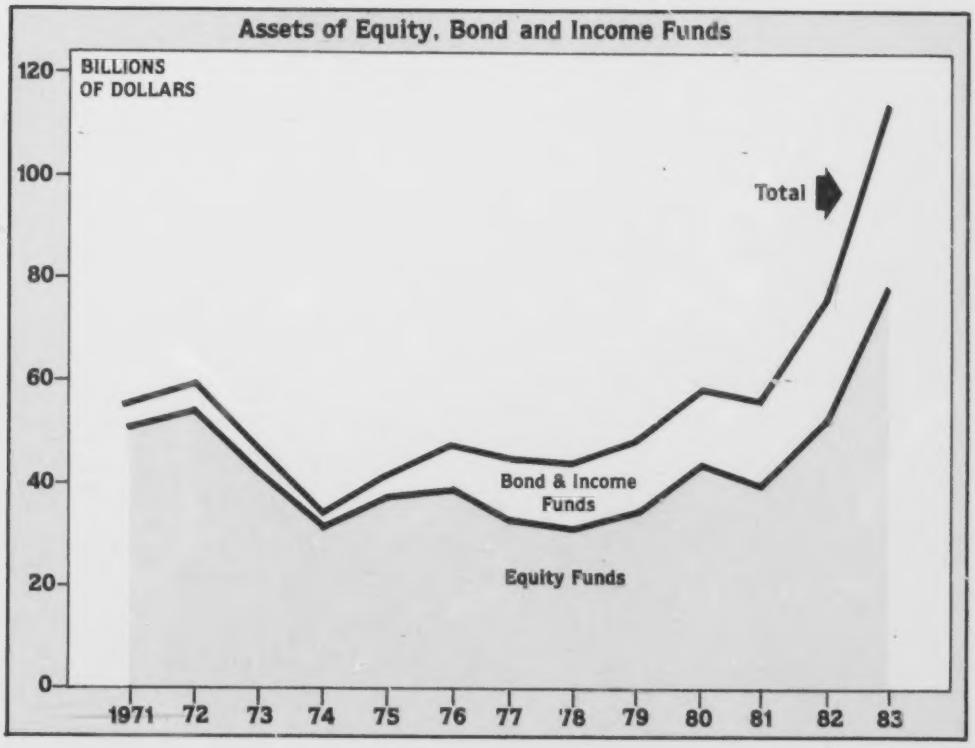
| INVESTMENT OBJECTIVE | 1982 | 1983 | Percent Change |
|---|---|---|---|
| Aggressive Growth | $ 2,508.8 | $ 8,161.8 | +225.3% |
| Growth | 2,890.3 | 8,412.8 | +191.1 |
| Growth-&-Income | 2,640.7 | 5,574.1 | +111.1 |
| Balanced | 169.5 | 226.0 | + 33.3 |
| Income | 1,049.0 | 3,847.4 | +266.8 |
| Bond | 2,639.2 | 3,770.3 | + 42.9 |
| Municipal Bond | 3,486.6 | 9,127.5 | +161.8 |
| Option/Income | 354.2 | 1,205.2 | +240.3 |
| **Total Long-Term** | **$ 15,738.3** | **$ 40,325.1** | **+156.2%** |
| Money Market | $581,758.9 | $462,978.7 | − 20.4% |
| Short-Term Municipal Bond | 29,444.0 | 44,468.5 | + 51.0 |
| **Total Short-Term** | **$611,202.9** | **$507,447.2** | **− 17.0%** |



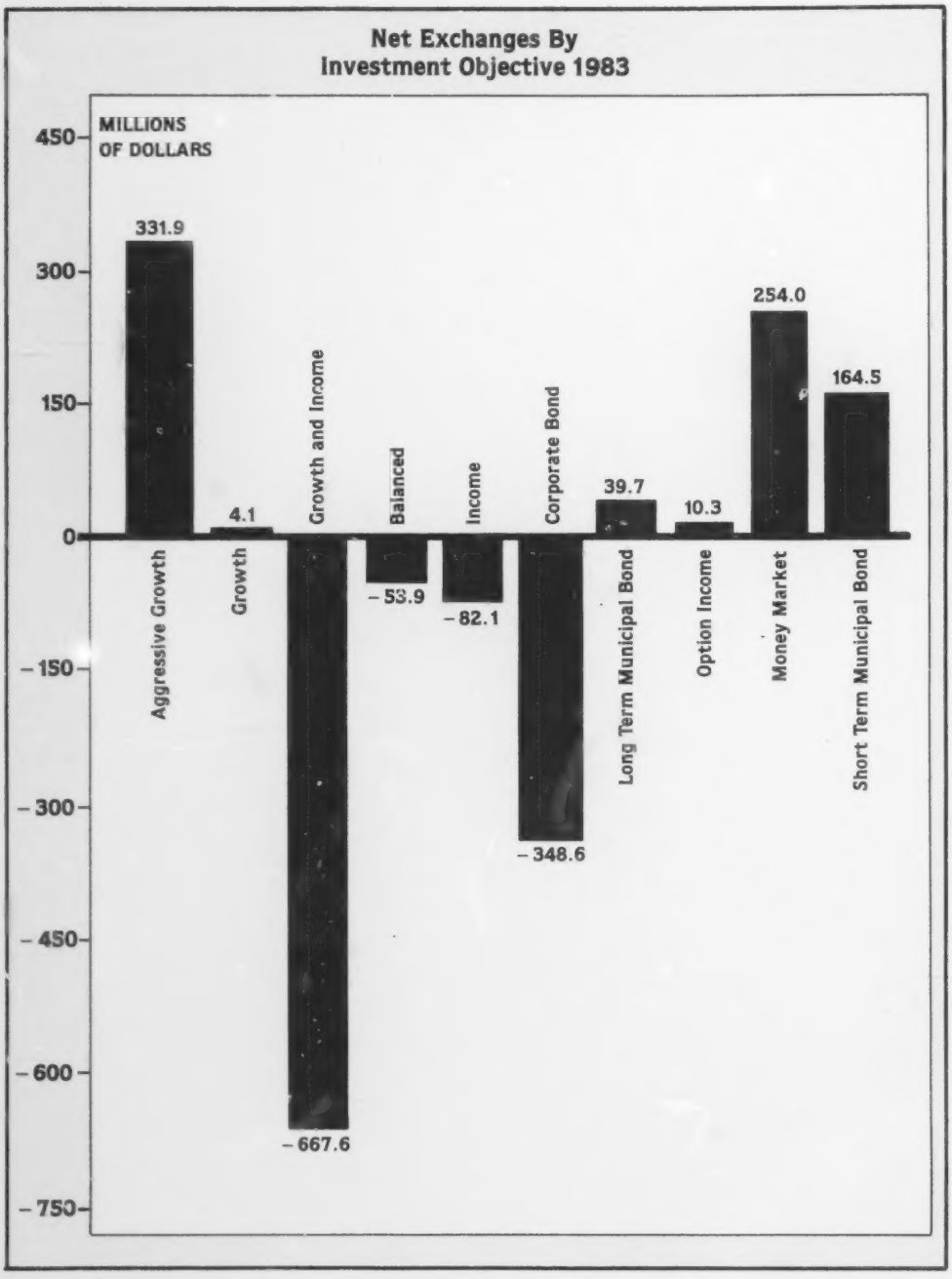

reflect the increase in investor interest in these funds. These funds now account for 32 percent of the combined assets of equity, bond and income funds. In the early seventies, this share of assets was only 6 percent.

The mutual fund industry has broadened its product line and increased the investors' range of choice through the addition of municipal funds, money market funds and variations of existing funds. At the same time, highly volatile financial markets have encouraged investors to be flexible in the handling of their personal portfolios. Together, these developments have produced an enormous increase in exchange activity.

In 1983, for example, exchanges into all types of mutual funds totaled $36 billion, 29 percent greater than the 1982 total of $28 billion. As shown in the accompanying chart, total exchanges remained below $1.0 billion until 1976 when they reached $1.5 billion. Since that date, exchanges have risen at a phenomenal rate. The activi-



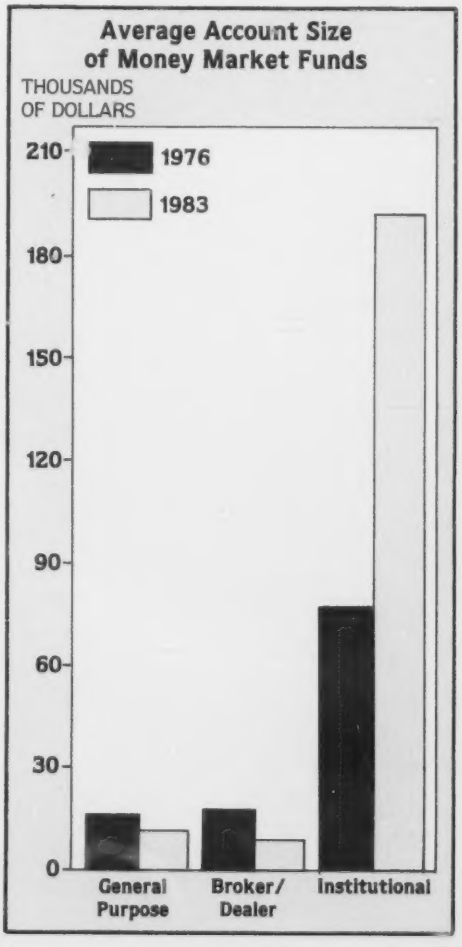
ty has been spread out between all types of mutual funds as investors shift their assets around to take advantage of current market conditions.



# Recent Trends in Activity: Money Market and Short-Term Municipal Bond Funds

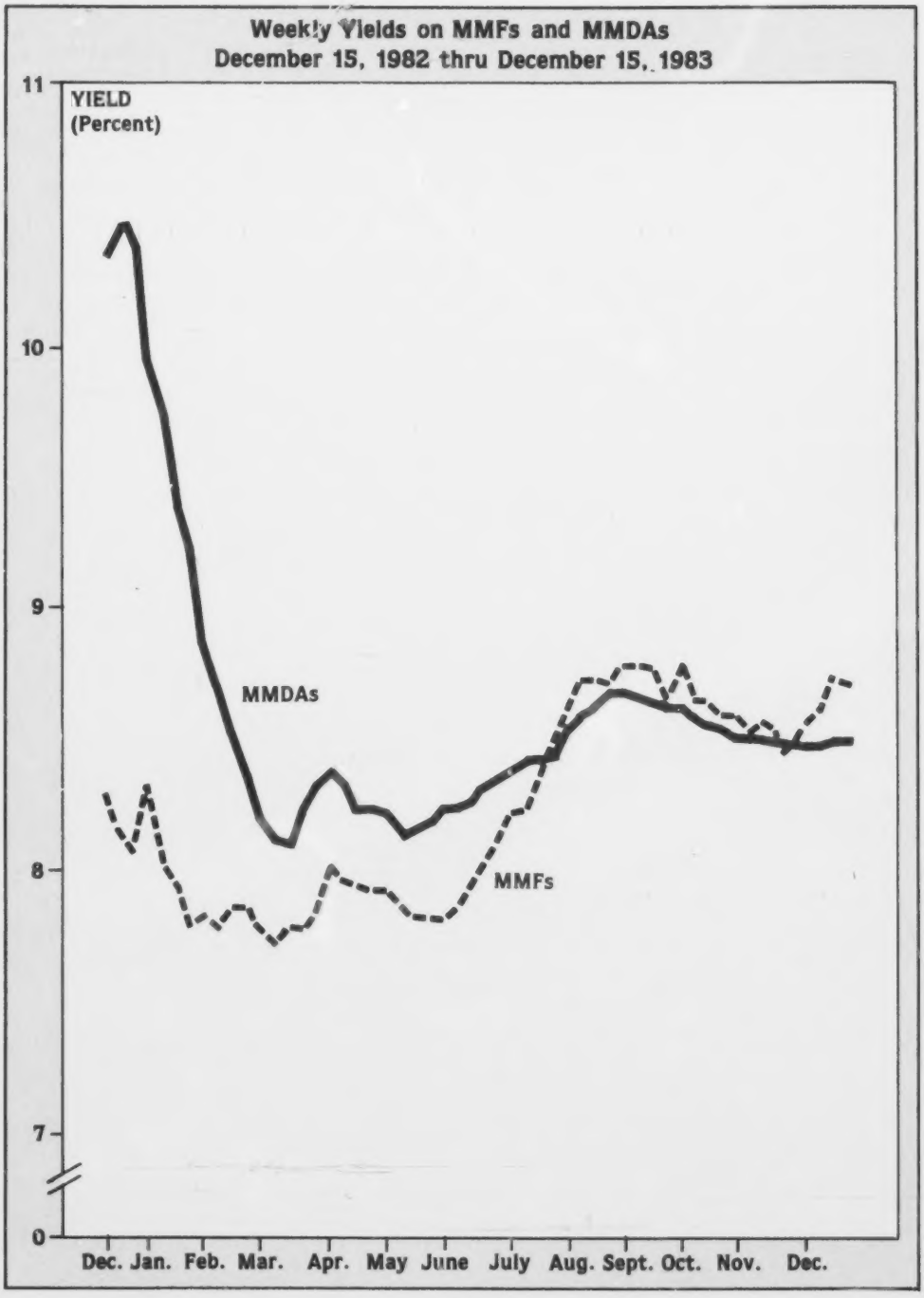
During 1983, the assets of money market funds (MMFs) declined for the first time since 1976. After five years of constant and often rapid growth, the funds ended 1983 with assets of $162 billion, down over 20 percent from year-end 1982. Most of this drop is associated with increased competition generated by the new market deposit account (MMDAs) offered by deposit institutions, a strong stock market, and declining short-term interest rates.

The assets of MMFs fell sharply in the period immediately following December 15, 1982, the date the MMDAs first became available. This occurred partly because deposit institutions were offering yields on their product which were substantially above rates



available in the marketplace. After a short time, deposit institutions abandoned this predatory practice and began to price the product in terms of their costs, earnings, and longer-term profit objectives. As a result, the positive differential that MMDAs initially enjoyed faded, as the chart shows.

Since mid-1983, MMFs have held

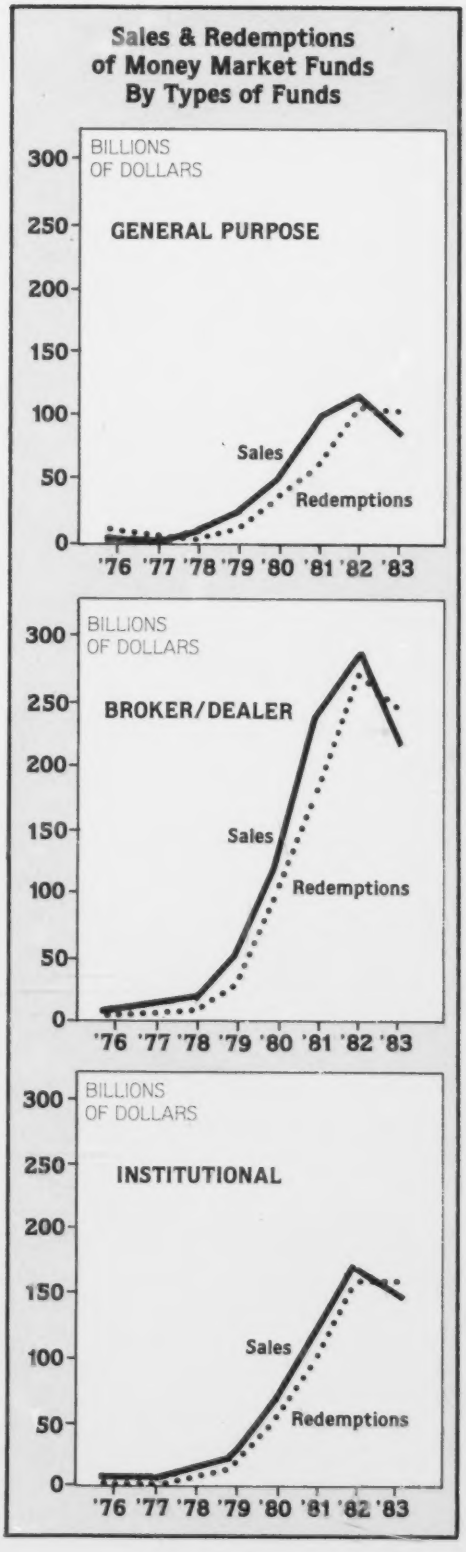


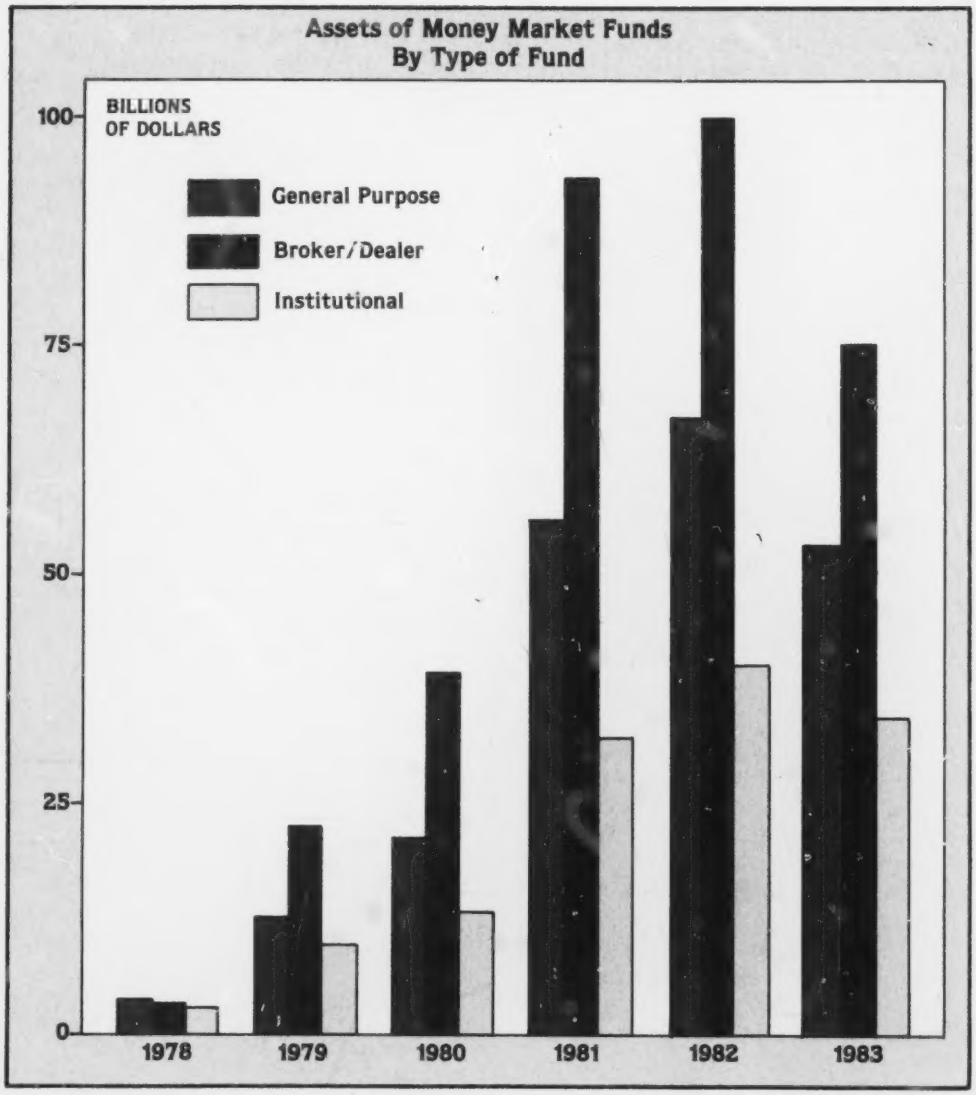
their own in the competition with MMDAs. In the first part of 1984, moreover, the assets of MMFs have increased because of rising short-term interest rates and unsettled stock and bond markets.

Money market funds have successfully adjusted to changes in the marketplace because they continue to respond to investors needs for a relatively safe, high yielding, liquid instrument. These product-features, moreover, appeal to a wide range of potential investors—from people with limited amounts to save to individuals and institutions able to invest huge sums of money.

Three broad types of money market funds offer shares—each responding to somewhat different needs. General purpose funds and broker-dealer funds, for example, sell to both individuals and institutions. Individuals, however, are the primary market, and represent about 70 percent of the assets of both types of funds. Institutional funds, on the other hand, concentrate exclusively on institutional investors such as businesses and bank trust departments. These funds are characterized by fewer shareholders with larger amounts to invest. At the end of 1983, the outstanding assets of institutional funds represented 21.1 percent of total money market assets. The comparable shares for general purpose and broker-dealer funds were 32.6 percent and 46.3 percent, respectively.

MMFs continue to be an important force in the money market and a key element in the industry's product-line. The growth of MMFs, moreover, has significance for the fund business far beyond the dollar amount. MMFs have helped shape the mutual fund industry's image as a diversified financial business. They have greatly increased public awareness of all types of mutual funds. Finally, the effective performance of money funds has helped to build favorable attitudes toward mutual funds in general. As a result, the






pool of prime prospects for stock, bond, and income funds has been greatly expanded.

While money markets were in a state of flux throughout much of 1983, the newcomer to the mutual fund product line, short-term municipal bond funds, was breaking all sorts of growth records. These funds were first introduced five years ago and, in that time, they have grown from one fund with assets of $0.6 billion to 66 funds and $16.8 billion in total net assets. Part of the appeal of these funds is the combination of many of the features of the money market funds with the added bonus of tax-free income. This tax advantage makes the short-term municipal funds particularly attractive to investors in higher income tax brackets.

As shown in the chart, investor response to this product has been tremendous. Sales have been rising sharply since 1979, and totaled over $44.0 billion in 1983. Short-term municipal bond funds are, in short, another mutual fund success story.

# Survey of Investor Needs

Last year, the Institute sponsored a national survey of 1,500 households. The sample was designed to include households with incomes of $30,000 or more, 650 of which were mutual fund owners and the remaining 900 were nonowners.

The major objectives of the survey were to identify key markets for financial services and obtain data on how consumers perceive various types of financial products. What follows are some of the major findings.

• Households with total incomes of $30,000 or more numbered about 24.9 million. Of this number, approximately 8.0 million owned a mutual fund of one kind or another.

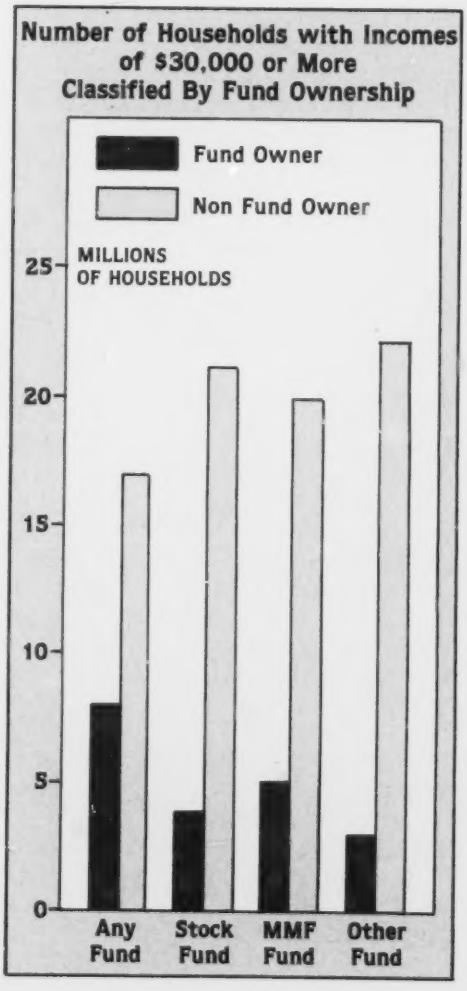
• In percentage terms, almost one-third of all households with incomes of $30,000 or more owned one or more types of funds. About 1 in 3 households with incomes of $30,000 to $49,999 owned funds, compared with almost 1 in 2 households with incomes of $50,000 or more.

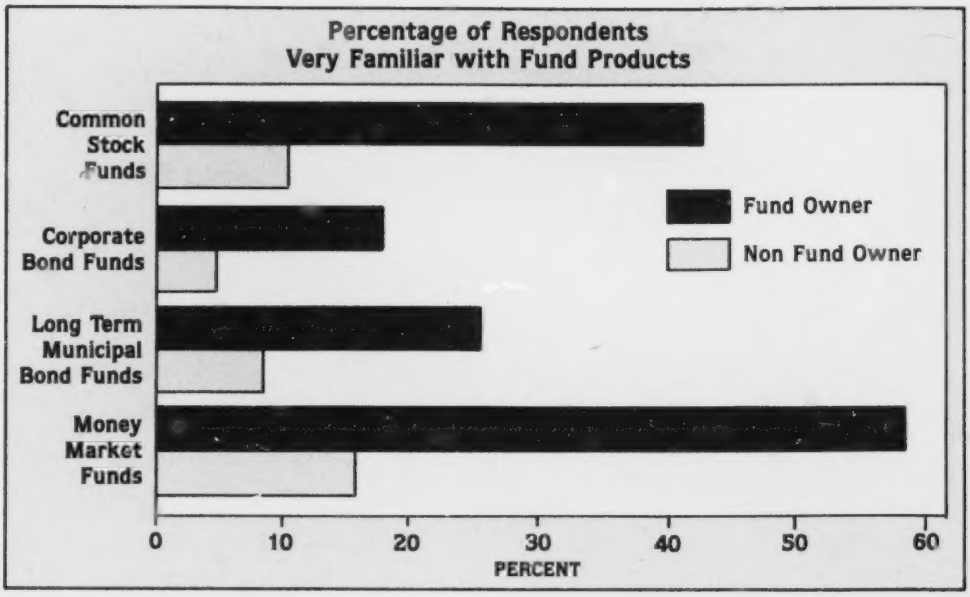
• About 15.4 percent of the respondents owned stock funds and 19.8 percent of them owned money market funds. The frequency of ownership of both these types of funds increased significantly among respondents who were 45 years of age or older.

• Ownership of more than one mutual fund is common. Many individuals own several types of funds or shares in more than one fund of the same type. Among persons owning more than one fund, 66 percent own funds managed by more than one company.

• Approximately 20 percent of fund owners had purchased their first fund within the past 1 or 2 years; 48 percent within the last 5 years. One-third of fund owners initially purchased a money market fund—a proportion that was constant for both savers and investors. Thus, money funds appear to have served as a point of entry into fund ownership for both investors and savers.

• Based upon their financial attitudes, respondents were classified as






being primarily savers or investors. This classification was found to be strongly related to types of financial holdings. The majority of fund owners (63 percent) were classified as investors; whereas most fund nonowners (75 percent) fell into the saver group.

• People classified as investors who owned no mutual funds had attitudinal characteristics which were similar to fund owners. Fund nonowners classified as savers held very distinctive attitudes. They tended to be less oriented towards return, less knowledgeable about financial issues, and less interested in diversification.

• Different groups of respondents reported being satisfied dealing with multiple financial institutions. Investors, in particular, indicated that they were willing to shop around for the best combination of features in savings and investments.

• A majority of investors indicated that they enjoyed making their own investment decisions. Among *none* of the segments — investors included — did a majority feel that they can do a better job by managing their own investments than by having an outside professional manage them.

• Half of the investors reported being avid readers of financial information and felt that they were well informed about recent changes in financial services; only 15 percent of savers were avid readers and an even smaller percentage felt well informed.

• Many investors also need more information about mutual funds and other investment alternatives if they are to have a chance to arrange their total financial asset holdings in a way which allows them to maximize returns and minimize risk. As the chart shows, only 58 percent of fund owners are very familiar with money market funds and less than half are very familiar with stock funds. The corresponding percentages for nonfund owners are significantly lower. In the absence of relevant information, many households will gravitate toward those financial products with which they are familiar, namely deposits of various kinds. Concentration of asset holdings exclusively in deposits is unlikely to be in the long-term interest of most households. Further expanding public awareness and knowledge of mutual funds will not only help investors manage their money better, it will break down a major barrier to still greater fund sales.

## Household Ownership of Mutual Funds Classified According to Income and Age*

(Percent of Group)

| Household Income | Any Type Of Fund | FUND OWNERS: Stock Funds | Money Market Funds | Other Funds | Fund Non-Owners |
|---|---|---|---|---|---|
| $30,000–$49,999 | 29.0% | 13.8% | 17.8% | 9.1% | 71.0% |
| $50,000 and over | 47.6 | 23.0 | 30.2 | 25.8 | 52.4 |
| **Total** | **32.0%** | **15.3%** | **19.8%** | **11.7%** | **68.0%** |
| **Age** | | | | | |
| Under 35 | 20.0% | 7.1% | 15.4% | 3.0% | 80.0% |
| 35–44 | 27.1 | 12.9 | 17.1 | 7.0 | 72.9 |
| 45–54 | 35.5 | 17.6 | 21.2 | 14.3 | 64.5 |
| 55–64 | 41.4 | 20.4 | 25.0 | 19.3 | 58.6 |
| 65 and over | 47.2 | 27.2 | 23.2 | 26.4 | 52.8 |
| **Total** | **32.0%** | **15.3%** | **19.8%** | **11.7%** | **68.0%** |

*Based on a national sample of 1,500 respondents with incomes of $30,000 or more.

## Percentage Distribution of Households Within Fund Owner and Nonowner Groups Classified According to Income and Age*

| Houshold Income | Total Households | FUND OWNERS: Stock Funds | Money Market Funds | Other Funds | Fund Non-Owners |
|---|---|---|---|---|---|
| $30,000–$49,999 | 70.1% | 58.6% | 58.0% | 45.2% | 76.0% |
| $50,000 and over | 29.9 | 41.4 | 42.0 | 54.8 | 24.0 |
| **Total** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |
| **Age** | | | | | |
| Under 35 | 23.5% | 11.1% | 18.4% | 6.3% | 27.5% |
| 35–44 | 27.0 | 23.2 | 23.6 | 16.7 | 28.8 |
| 45–54 | 23.0 | 26.7 | 25.0 | 28.6 | 21.7 |
| 55–64 | 18.1 | 23.9 | 23.0 | 29.6 | 15.5 |
| 65 and over | 8.4 | 15.1 | 10.0 | 18.8 | 6.5 |
| **Total** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |

*Based on a national sample of 1,500 respondents with incomes of $30,000 or more.

# Selling Mutual Funds

## How Funds Are Sold

Unlike most securities and the shares of closed-end investment companies which are bought and sold on national exchanges and in the over-the-counter market, the shares of mutual funds may be acquired by the investor in several different ways.

A key organization in the distribution of mutual fund shares is the underwriter. Through a contract arrangement with the mutual fund offering shares, the underwriter has exclusive distribution rights, usually on a national basis.

**Dealer to Investor:** The underwriter carries on a wholesale function in mutual fund distribution. Representatives of the underwriter distribute to retailers—securities dealers and brokers. The underwriters support the retail selling effort through various sales promotions and personal contact. The dealer, in turn, deals directly with the public—the potential purchasers of mutual fund shares.

Most retail firms distributing mutual fund shares are members of the National Association of Securities Dealers. This organization provides self-policing of its member firms in the distribution of mutual fund shares, as well as in other over-the-counter securities transactions.

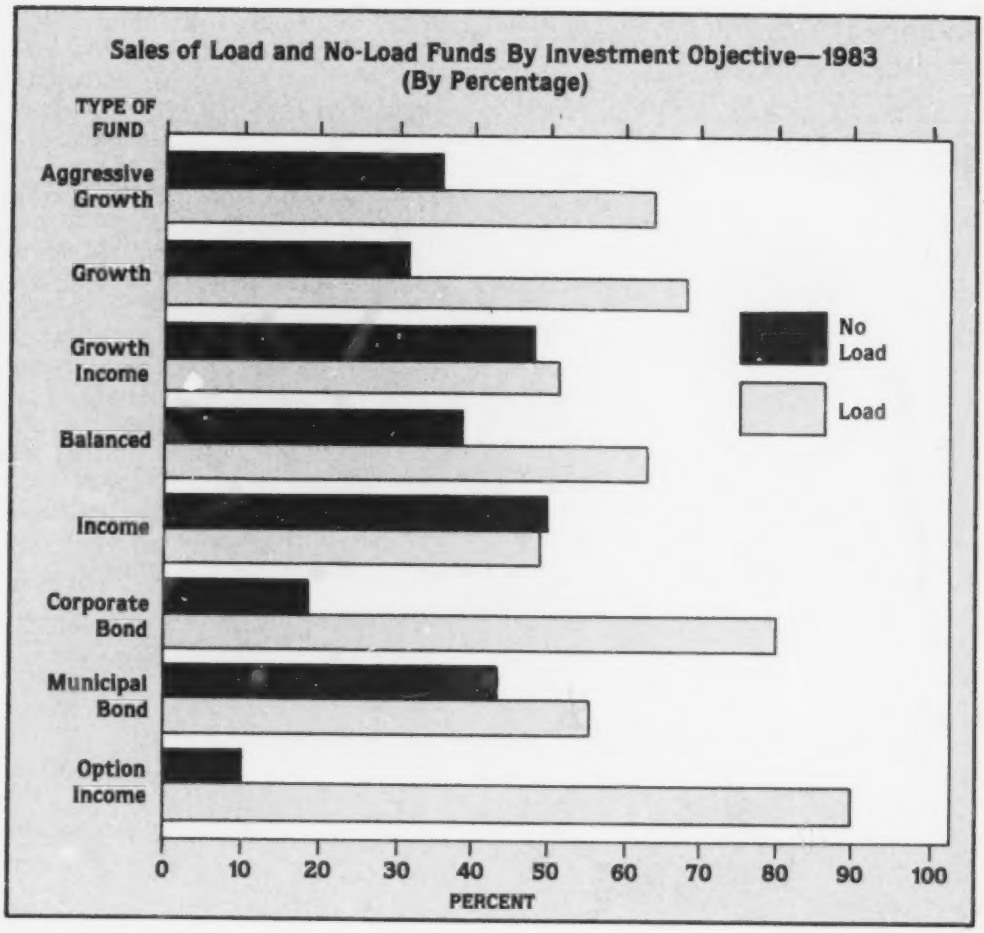
To a growing extent, retail distribution is taking on the aspects of financial planning. The basic product is being made more and more adaptable to the individual investor's needs and is being presented as one of several building blocks in an overall financial plan which includes life insurance, fixed dollar savings and individual securities, in addition to mutual fund shares.

**Underwriter to Investor:** A second major distribution method is direct selling. In this case the retail securities dealer is not utilized. The underwriter organization carries on, in addition to the wholesale function, the retail function by the employment of sales representatives to approach the investing public.

**Fund to Investor:** In this method of distribution, funds may deal directly with investors without the use of salesmen in the field. The funds may present themselves to the public through advertising, direct mail, and other means. Potential investors may take the initiative in determining whether specific funds meet their specific needs. Investors may contact the funds directly to obtain a prospectus or buy shares. The shares of these funds are sold to the public without a sales charge.

**Pricing:** The offering prices and redemption prices of mutual fund shares are determined with reference to the current market value of the underlying investments in the fund's portfolio. This "asset value per share," determined by the companies at least once a day, is calculated by dividing the company's total net assets by the number of its shares outstanding.

The offering price, which may include a distribution charge, is fully explained in the mutual fund's prospectus. If levied, the buyer pays a sales charge of about 7.5 to 8.5 percent, which is included in the shares offering price. The charges may vary, de-




pending upon the amount of his purchase and the rates set by the individual fund. Lower rates usually apply on larger purchases. Mutual funds generally redeem their outstanding shares at their current net asset value.

**Broad Interest:** The different methods used in the distribution of mutual fund shares have generated a broad interest in such shares among individuals, families, and institutions in every one of the 50 states. Due to rapid technological advances and the evolution in financial services, the mutual fund industry continues to develop new and innovative ways of reaching the investing public.

Ten years ago over 80 percent of mutual fund sales were load sales, made with a sales charge to the investor. Since then, investors have become more familiar with mutual funds and the fund industry. With the advent of municipal bond funds in 1977, many of which are no-load, this ratio declined to 55 percent. Last year, however, load sales accounted for about two-thirds of all sales excluding short-term funds.

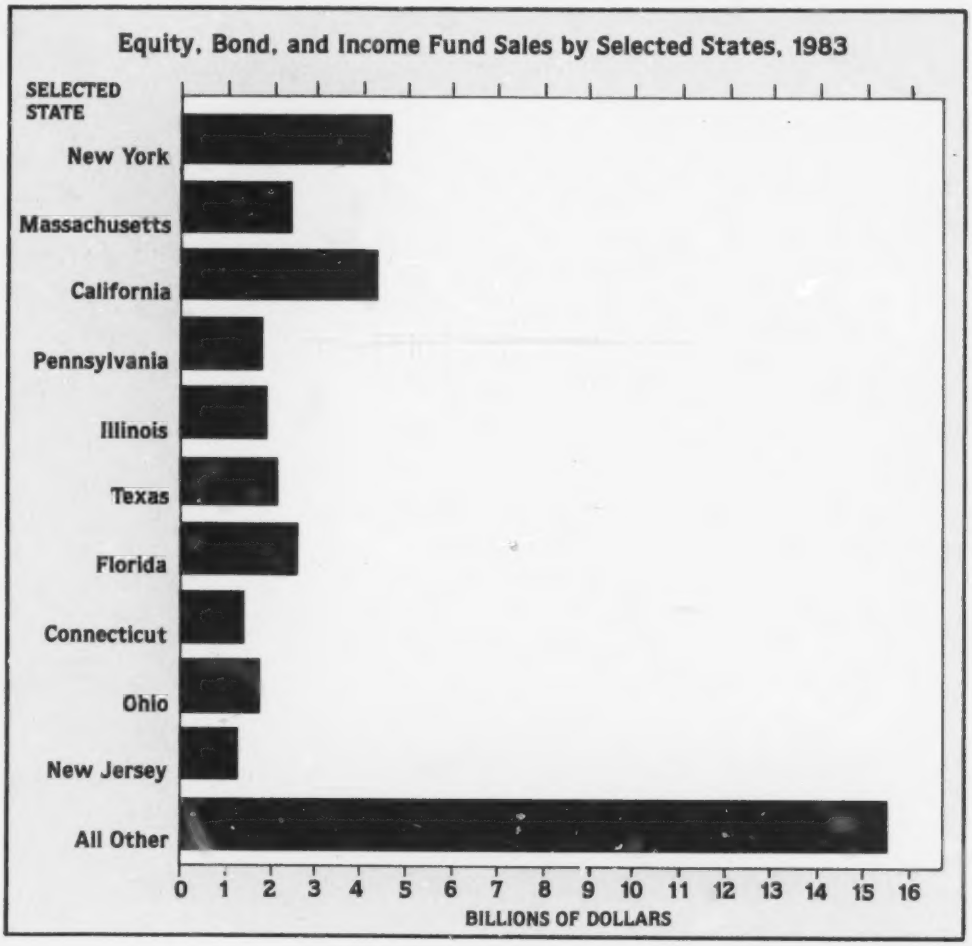
Option income funds and corporate bond funds had the highest percentage of load sales. Load sales of most of the other categories fall between 60 and 70 percent of total sales. The only group where no-load sales were more than half of total sales was the income funds.

## Where Funds Are Sold

Assets and sales of mutual funds are heaviest in geographic regions which include large numbers of people in moderate to upper-income groups. Such areas attract fund organizations who engage in broad-based sales-promotion programs to increase the public's awareness and knowledge of mutual funds. The result: certain geographic areas are prime marketing targets since they include prospects who are both able and willing to purchase mutual funds.

As may be seen in the accompanying chart, New York and California accounted for the two largest state shares of total sales of equity, bond and income funds. Sales in New York totalled $4.7 billon in 1983, 11.8 percent of all sales of those funds. California accounted for 11.0 percent of total sales. The ten states with the largest share of stock and bond fund sales, moreover, accounted for over 60 percent of the total.

Essentially, the same ten states that dominate the market for stock and bond funds play a similar role in the distribution of money market fund shares. Using the regional categories of the Bureau of the Census, another geographic trend is evident. Shares of total sales of stock and bond funds over the past decade are increasing slightly in the Northeast and the South. These gains are at the expense of the North Central and Western Regions.



# Institutional Markets

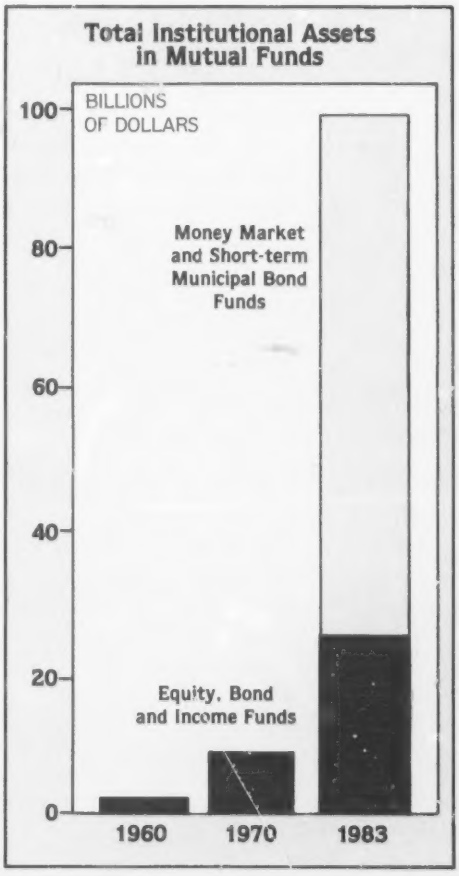
Mutual funds are sometimes thought of as financial products for individuals, primarily for small investors. The modest initial investment requirements of funds and the investors' ability to add small amounts to their accounts at regular intervals does allow mutual funds to play this role. Superior investment performance, diversification, and other services available through mutual funds, however, also attract investors in middle and upper income brackets as noted in an earlier chapter. And, increasingly, institutions of various types have turned to mutual funds.

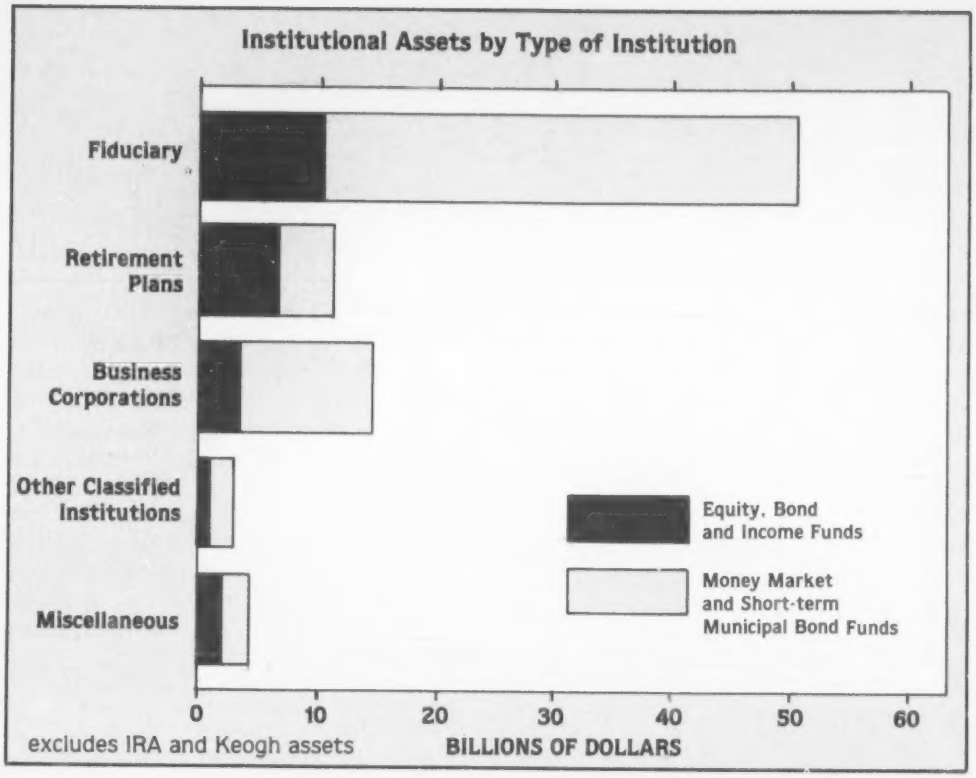
For marketing and statistical purposes, institutional activity is defined to include banks and other fiduciaries, business corporations, employee pension and profit-sharing plans, insurance companies, foundations, and other types of institutions. As the accompanying chart shows, the value of institutional assets under management has risen from about $1.8 billion in 1960 to $99.5 billion at the end of 1983.

Since this rate of growth has been much more rapid than the expansion of assets owned by individuals, institutional assets have accounted for an expanding share of total assets. Between the end of 1960 and the end of 1983, the share of total assets accounted for by institutions rose from 10.6 percent to 34.0 percent. Part of the reason for the acceleration in institutional activity has been the expansion of money market funds which were first offered in the early Seventies.

Institutional assets represented 40.1 percent of total money market fund assets at the end of 1983. This ratio is virtually unchanged from the prior year. Money market institutional assets, however, fell from $83.8 billion to $65.1 billion between 1982 and 1983, a rate of decline about the equivalent of the drop in total money market assets.

The institutional assets of equity, bond and income funds, however, grew substantially in 1983 and individual assets expanded as well. Thus, the institutional share of assets in these funds was 22.9 percent at the end of 1983, slightly below the 23.7 percent share at year-end 1982.






While the institutional share of assets has remained fairly steady in 1983, the dollars invested have obviously changed. As money market fund asset declined, the institutional categories most affected were business corporations, fiduciaries, and insurance companies. The increased assets in equity, bond and income funds are reflected primarily in the fiduciary, pension and profit sharing, and business corporations categories.

The number of institutional accounts has expanded over the years along with the rise in assets. In 1960, there were only about 347 thousand accounts on the books. At the end of 1983, institutional accounts totalled about 3.0 million. Since many of these are pooled accounts, the number of fund customers linked to institutions is even larger.

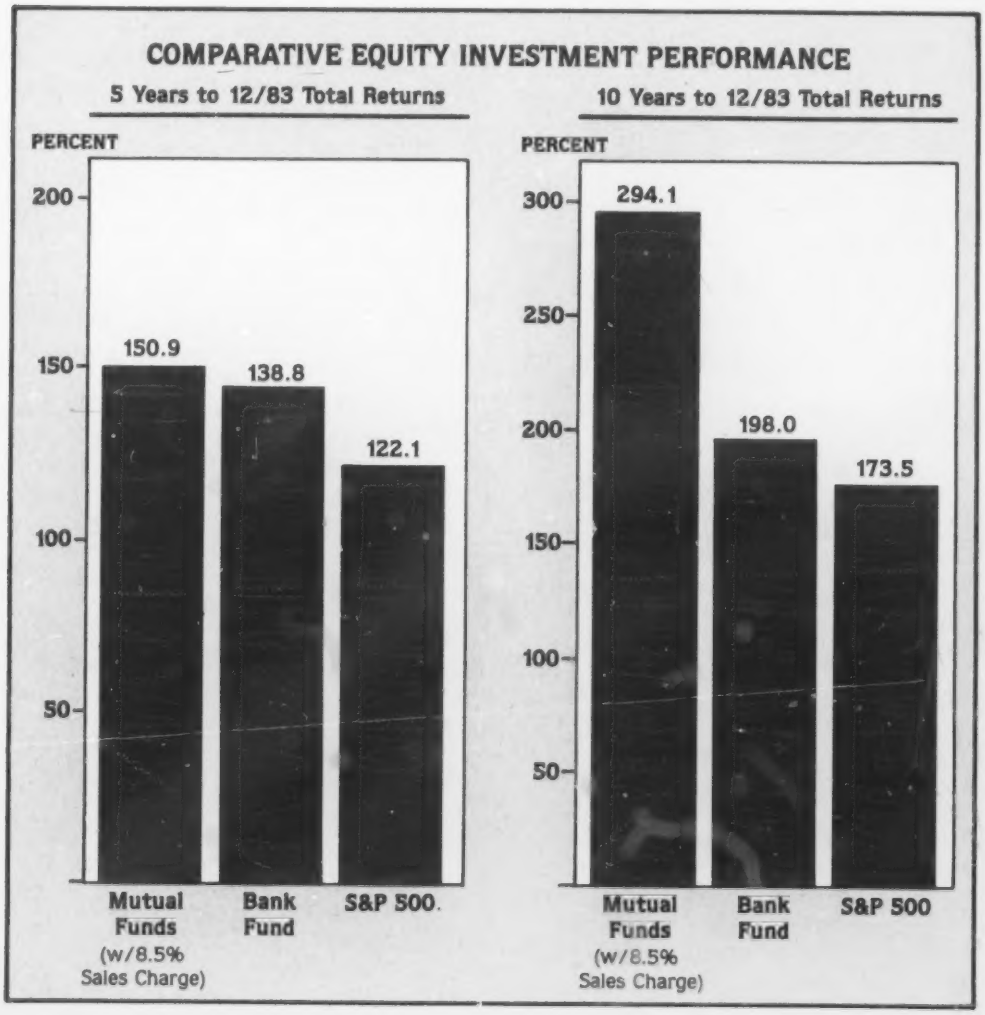
The institutional market is complex and includes a number of submarkets, each of which has many unique characteristics (see chart). By far the largest such market is the fiduciary group. At the end of 1983, fiduciary accounts of all types of funds numbered about 1.7 million–and had an estimated total value of $55.9 billion (see chart).

The fiduciary market is composed of at least two broad segments: 1) bank trusts, and 2) individuals serving as trustees, guardians, and administrators. The former market is served mainly by the money market funds, while the latter is primarily the province of all other types of funds. This distinction is evident from the fact that the average-size fiduciary account associated with money market funds is much larger than stock, bond and income funds.

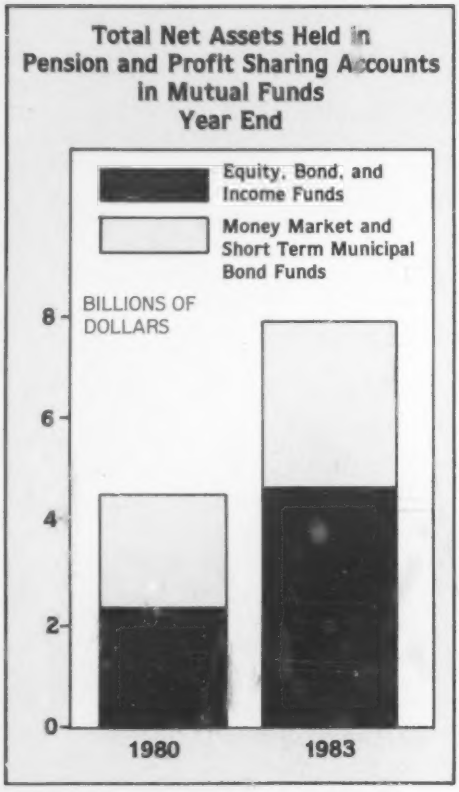
Other statistical details relating to the institutional market are contained in tables presented in the Appendix. Because of the importance of the retirement market, however, this segment will be discussed separately in the following section.

# The Retirement Market

Mutual funds are uniquely compatible with the long-term objectives of saving for retirement (see box for description of plans). As noted earlier, there is a type of fund available to match a wide range of reward-risk preferences. Funds provide great flexibility through the exchange feature. They are a cost-effective way to invest, and they provide a wide range of services. Finally, for those who wish to fund all or part of their retirement plans with equities, stock-oriented mutual funds have generated total returns in excess of their major competitor, bank trust departments (see table).




**Note:** Mutual fund performance is the unweighted average of the total returns of aggressive growth, growth, and growth and income funds. Calculated by the Institute from data compiled by Computer Directions Advisors, Inc.




## Employee Pension And Profit-Sharing Plans

In recent years, mutual funds have made substantial progress in attracting employee pension and profit-sharing accounts. As shown in the accompanying chart, these accounts totalled about $7.8 billion at the end of 1983.

Approximately $3.2 billion of the total was funded with money market funds; the balance, $4.6 billion, was funded with stock and bond mutual funds. In the early 1970s, the total value of all pension and profit-sharing plans probably totalled less than $1.0 billion.

While mutual funds have made progress in penetrating this market, it has not been commensurate with the competitive edge they have over banks in the area of investment performance. Mutual fund organizations must continue to tell their performance story. They must also clear up misconceptions about the appropriateness of funds as pension vehicles, particularly among sponsors with plans of $10.0 million or less.

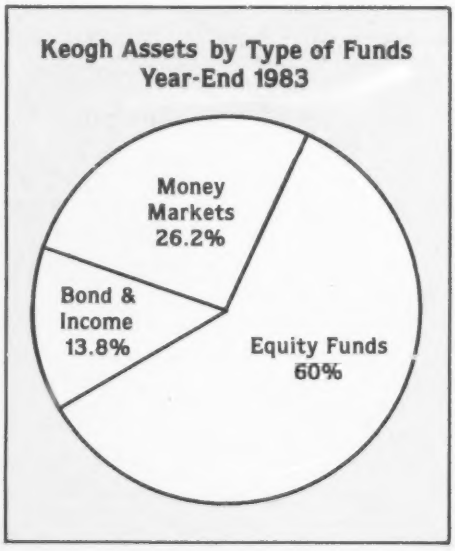
These impediments to further progress should be regarded as temporary. They can be overcome by more aggressive refined marketing-promotion strategies.

## Keogh Plans

Mutual funds, always strong in the Keogh market, had 566 thousand accounts under management at the end of 1983. These plans totalled $6.0 billion and accounted for 27.7 percent of the total Keogh market.

As may be seen in the accompanying chart, about 60 percent of the Keogh assets managed by mutual funds were associated with aggressive growth, growth, and growth-&-income funds. Money market funds accounted for 26 percent of mutual fund Keogh assets. The remaining investment objective groups accounted for the rest.

The Keogh market has become increasingly important since the liberalization of the tax laws effective in 1982. This change allowed self-employed individuals to put away the lesser of 15 percent of income or $15,000, instead of the $7,500 allotted



# Retirement Plans

Federal income tax laws permit the establishment of a number of types of retirement plans which may be funded with mutual fund shares.

**Individual Retirement Accounts**

All wage-earners under the age of 70½ may set up an Individual Retirement Account (IRA). The individual may contribute 100 percent of his or her compensation each year up to $2,000. The amounts contributed each year are tax-deductible. These contributions go into a tax-sheltered program so that all dividends, interest and capital gains are allowed to compound tax-deferred year after year. An individual who qualifies for an IRA and has a spouse who isn't employed may contribute up to 100 percent of his or her income or $2,250, whichever is less.

**Simplified Employee Pension Plans**

Employers who have not established a qualified retirement plan may contribute up to $15,000 or 15 percent of compensation, whichever is less, to individual retirement accounts of their employees. The employer's contribution is tax deductible.

**Section 403(b) Plans**

Section 403(b) of the Internal Revenue Code permits employees of certain charitable organizations and public school systems to establish tax-sheltered retirement programs.

**Section 401(k) Plans**

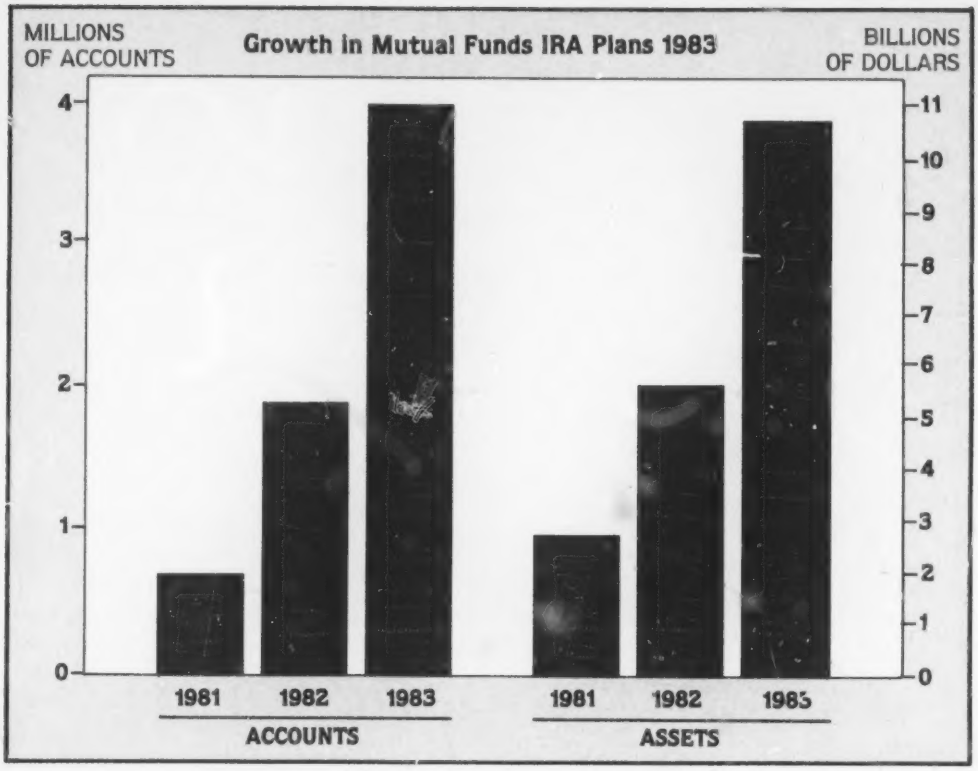
One particularly popular type of plan which may be offered by either corporate or noncorporate entities is the 401(k) plan. A 401(k) plan is a tax-qualified profit-sharing plan which includes a "cash or deferred" arrangement. The cash or deferred arrangement permits an employee to have a portion of his compensation contributed to a tax-sheltered plan on his behalf or paid to him directly as additional taxable compensation. Thus an employee may elect to reduce his taxable compensation with contributions to a 401(k) plan where those amounts will accumulate tax-free.

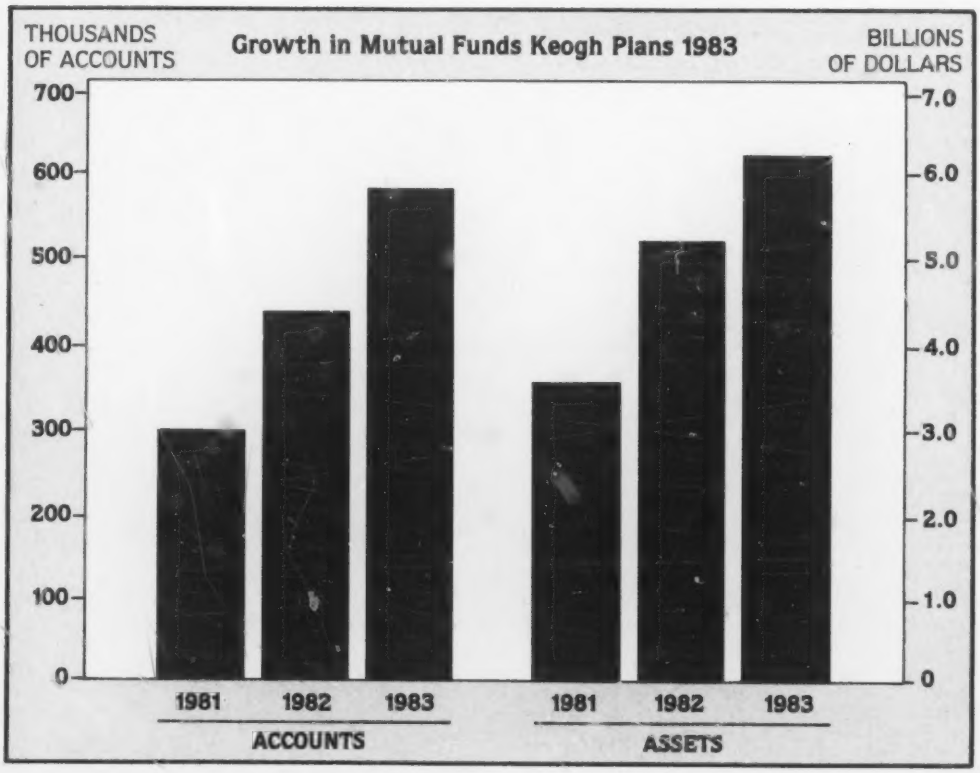
**Corporate Plans**

Tax-qualified pension and profit-sharing plans may be established by corporations or self-employed individuals. Pursuant to recent changes in the tax laws retirement plans for employees of corporations and those for self-employed individuals are essentially comparable. Contributions to a plan are tax-deductible and earnings accumulate on a tax-sheltered basis.

The maximum annual amount which may be contributed to a defined contribution plan on behalf of an individual is limited to the lesser of 25 percent of the individual's compensation or $30,000.

Under the recent changes in the tax laws, certain plans will be designated as "top-heavy" plans. A top-heavy plan, i.e., a plan under which 60 percent or more of the accrued benefits are attributable to certain key employees is subject to special restrictions and requirements. For example, certain minimum benefits will have to be provided for non-key employees, a more rapid vesting schedule may be required, and penalties may be imposed on certain distributions to key employees. Many mutual fund groups offer prototype plans which have been amended to comply with these new requirements of the law.


MILLIONS OF ACCOUNTS
Growth in Mutual Funds IRA Plans 1983
BILLIONS OF DOLLARS
4
3
2
1
0
11
10
9
8
7
6
5
4
3
2
1
0
1981
1982
1983
1981
1982
1983
ACCOUNTS
ASSETS

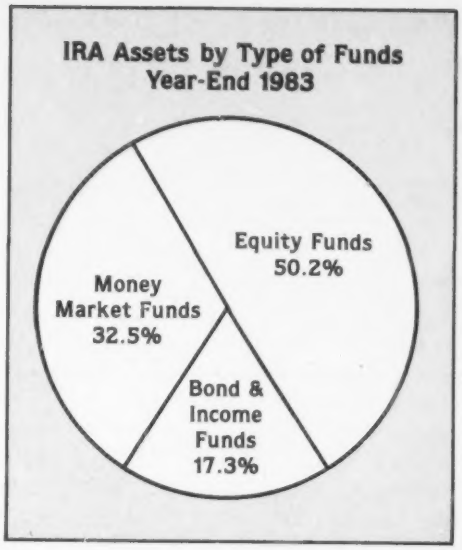

THOUSANDS OF ACCOUNTS
Growth in Mutual Funds Keogh Plans 1983
BILLIONS OF DOLLARS
700
600
500
400
300
200
100
0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0
1981
1982
1983
1981
1982
1983
ACCOUNTS
ASSETS

earlier. In addition, they became eligible for an IRA, which meant an effective maximum savings of $17,000.

For 1984 changes in the tax laws make Keogh plans comparable to corporate retirement plans. Self-employed individuals will be able to set aside each year retirement benefits equal to 25 percent of earnings up to a maximum of $30,000. Although the law will no longer distinguish between plans for the self-employed and corporate pension plans, many new restrictions apply to any plan which is a "top-heavy" plan, i.e., a plan under which a substantial portion of the benefits accrue on behalf of certain key employees of the employer. Most former Keogh plans will probably be treated as "top-heavy" plans subject to the new restrictions. Many mutual fund complexes will offer prototype "top-heavy" plans which comply with all the new provisions of law.

## The IRA Market

Assets held for Individual Retirement Accounts continued to grow in 1983. IRA accounts funded with mutual funds more than doubled while IRA assets grew 87 percent. These assets in equity, bond and income funds grew from $2.8 billion to $7.2 billion during the year and over 1.5 million new IRA accounts were opened. Money market fund IRA assets grew by $500 million while over 500 million new IRA accounts were opened.




At the beginning of 1982, when all persons with earned income became eligible for an IRA, mutual funds accounted for 9.9 percent of all IRA assets in the marketplace. Growth in mutual fund IRA assets since that time has occurred at a greater rate resulting in an increased share of the market. At the end of 1983 mutual funds accounted for 12.4 percent of all IRA assets.

Half of all mutual fund IRA assets are invested in equity funds. Nearly one-third is invested in money market funds and the balance is invested in bond and income funds.

Investing attitudes and characteristics of IRA owners will be explored in the following chapter.

# Segmenting the IRA Market— In Search of Opportunities

During 1983, the value of IRA assets continued to expand sharply as they have since January 1, 1982, when the law governing IRAs was liberalized. The Institute estimates that the total value of IRA assets outstanding rose from $52 4 billion at the end of 1982 to $86.3 billion at the end of 1983. During this same period, the value of mutual fund IRAs rose from $5.7 billion to $10.7 billion. Since IRA assets of the funds grew more rapidly than total IRAs, their market share rose from 10.8 percent to 12.4 percent (See table.)

Growth in IRA assets was accompanied by an increase in accounts and household ownership of IRAs. Approximately 20 million households, or about 25 percent of the 83.0 million total, were IRA owners at the end of 1983. As shown in the chart, frequency of IRA ownership rises with income. In fact, about 11.5 million of all IRA owners have incomes of $30,000 or more. Savers and investors in this group were studied intensively in a special survey sponsored by the Institute.

As shown in the table, fund owners with a mutual fund IRA are more highly educated and have higher incomes than any other group analyzed. They also tend to be better informed about financial products, more willing to consider alternative investments and assume a certain amount of risk. They perceive distinct differences between various investments; their expected rate of return on stock investments is significantly different from anticipated rates available on deposit instruments. These perceptions are indicative of their knowledge of various investment vehicles. These findings tend to validate profiles of

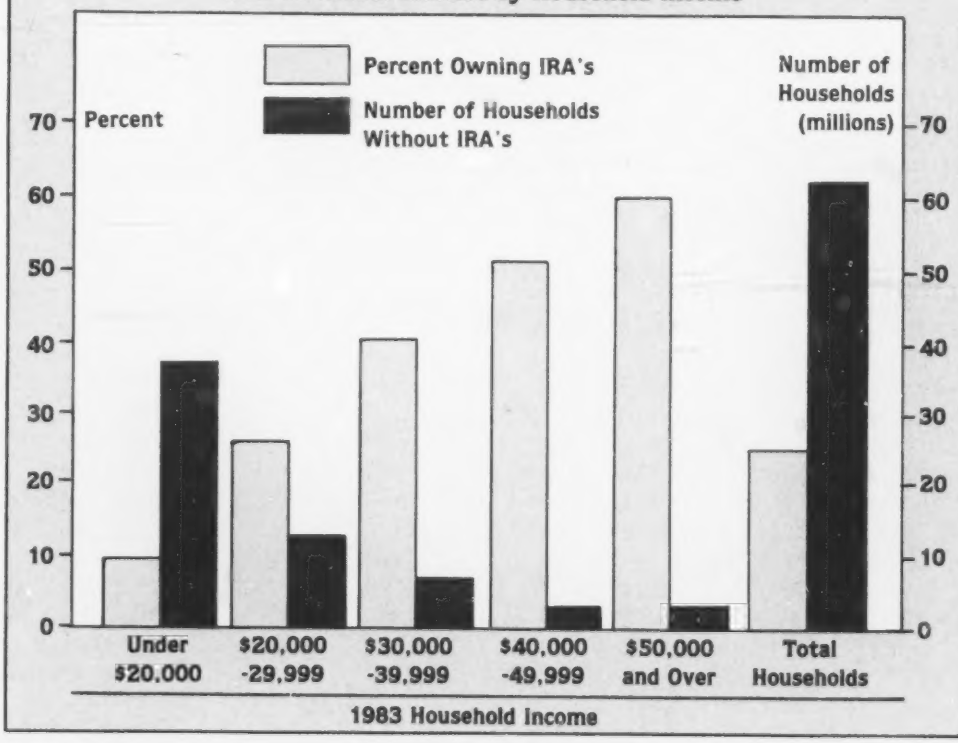
**Characteristics of Households with Incomes of $30,000 or More Classified According To Mutual Fund and IRA Ownership**

| | Mutual Fund Owners | | | Non-Mutual Fund Owners | |
|---|---|---|---|---|---|
| Characteristic | Mutual Fund IRA | IRA Not Utilizing Funds | No IRA | Own an IRA | No IRA |
| Number of Households (Millions) | 2.5 | 3.1 | 3.2 | 5.9 | 10.1 |
| Median Income | $49,460 | $47,090 | $45,344 | $44,386 | $42,472 |
| Median Age | 46.4 | 49.6 | 49.0 | 46.9 | 39.2 |
| Completed College or Graduate School (Percent) | 58.1% | 46.6% | 43.8% | 34.6% | 32.6% |

**Mutual Fund Owners**
**With Household Income of $30,000 or More**
**Classified by IRA Ownership**
**(Percent)**

| | IRA Invested In Mutual Funds | IRA Not Invested In Mutual Funds | Non-IRA Owners |
|---|---|---|---|
| **Age** | | | |
| Under 35 | 15.4% | 9.3% | 17.4% |
| 35-44 | 27.8 | 21.8 | 23.8 |
| 45-54 | 27.6 | 33.8 | 17.5 |
| 55-65 | 25.9 | 31.8 | 16.1 |
| 65 and Over | 3.3 | 3.3 | 25.2 |
| **Education** | | | |
| Some College or Less | 41.9% | 53.4% | 56.2% |
| College Grad or More | 58.1 | 46.6 | 43.8 |
| **Income** | | | |
| $30,000-$49,999 | 51.4% | 58.5% | 65.2% |
| 50,000 or More | 48.6 | 41.5 | 34.8 |
| Total | 100.0% | 100.0% | 100.0% |

**Percentage of Households Owning IRAs**
**And Potential Market by Household Income**



**Estimated Value of IRA Plans Outstanding, December 1982 and December 1983**
(In Thousands of Dollars)

| Type of Institutions | Dec. 1982 | Percent | Dec. 1983 | Percent |
|---|---|---|---|---|
| Commercial Banks | $13,572 | 25.9% | $24,960 | 28.9% |
| Mutual Savings Banks | 4,658 | 8.9 | 7,159 | 8.3 |
| Savings & Loan Associations | 15,611 | 29.8 | 24,276 | 28.1 |
| Life Insurance Companies | 5,800 | 11.1 | 8,700 | 10.1 |
| Credit Unions | 1,600 | 3.0 | 4,500 | 5.2 |
| Mutual Funds | 5,666 | 10.8 | 10,712 | 12.4 |
| Self-Directed | 5,500 | 10.5 | 6,000 | 7.0 |
| **Total** | **$52,407** | **100.0%** | **$86,307** | **100.0%** |

**NOTE:** Asset estimates were derived from data from the Federal Reserve Board, Home Loan Bank Board, Mutual Savings Bank Association, Life Insurance Association and the Credit Union National Association. The mutual fund asset figure is compiled from a survey of mutual funds that represent 90 percent of all IRA assets held in the funds. The assets held in self-directed accounts were compiled from estimates provided by a group of large brokerage houses and exclude any investment in mutual funds. No estimate was made for the universe of self-directed IRAs.

fund investors drawn from other recent studies.

Fund owners with IRAs not utilizing funds tend to be a bit older than the group just discussed and to have slightly lower incomes. While close to half are college graduates, this percentage is significantly below that for the previous group. This group perceives the various investment vehicles differently than investors with a mutual fund IRA. They expect the rates of return on a variety of investments to fall between a narrow range of about 100 basis points. Thus, none of the choices stand out as dramaticaly more attractive than the others. Their approach to investing seems a little more conservative and they are not quite as knowledgeable about the savings and investment environment.

While fund owners that do not own an IRA seem somewhat familiar with a variety of investment vehicles, they also perceive the range in returns between various instruments to be quite narrow. A major factor in this group not owning an IRA could be age—one-fourth are 65 years of age or more while 17 percent are not yet 35 years old.

Nearly 6 million households have an IRA but do not own mutual funds. A very small percentage of this group indicates that they are very familiar with mutual funds. Primarily, this group is only familiar with deposit institution instruments. They are not well informed about changes in financial products and services and only a fourth indicate that they are avid readers of financial news articles. They are much more likely to have done their saving and investing in the same way for years.

The 10 million households owning neither mutual funds or IRAs are younger and have lower annual incomes than any other group studied. Sixty-four percent of this group is under 45 while over one-third are under the age of 35. Eighty percent have average annual incomes under $50,000. Just under a third have com-

pleted college or attended graduate school. This group indicated the lowest degree of familiarity with a variety of investments, perceived little difference between annual rates of return on various instruments, and were not well informed about changes in financial products or services.

There is still a huge IRA market for the mutual fund industry to address. Of all households with annual incomes greater than $30,000, over 13 million still do not have an IRA account. Another 9 million have an IRA that is not invested with mutual funds. In total, 22 million households in this income bracket could establish an IRA with mutual funds to join the 2.5 million households that already have a mutual fund IRA. While awareness of mutual fund products may have increased in recent years, there are millions of households that still are not aware of all of the advantages the industry has to offer.

# Regulation and Taxation

Mutual fund organizations are the most strictly regulated business entities under the federal securities laws. Ray Garrett, Jr., former chairman of the United States Securities and Exchange Commission (SEC), stated that "No issuer of securities is subject to more detailed regulation than mutual funds."

The laws governing mutual funds require eshaustive disclosure to the SEC, state regulators and fund shareholders and entail continuous regulation of fund operations. Properly, however, these laws do not include supervision of managements's investment judgment.

Four major federal statutes regulate mutual funds.

The Securities Act of 1933 requires the filing of full information regarding the fund with the SEC. In addition, the 1933 Act requires that the fund provide potential investors with a current prospectus which makes detailed disclosures about the fund's management, its investment policies and objectives and its investment activities. The 1933 Act also limits the types of advertisements which may be used by a mutual fund.

The purchase and sale of mutual fund shares, as with all securities, are subject to the anti-fraud provisions of the Securities Exchange Act of 1934.

The Investment Advisers Act of 1940 regulates the activities of investment advisers to mutual funds.

Most importantly, the mutual fund must register with the SEC under the Investment Company Act of 1940, which is highly detailed regulatory statute. The 1940 Act contains numerous, provisions designed to prevent self-dealing and other conflicts of interest, maintain the integrity of fund assets and prevent the payment of excessive fees and charges by the fund and its shareholders.

In addition to these federal statutes, all but a few states regulate mutual funds.

Federal and state laws do not guarantee that mutual fund shares will go up in value, or that they will not go down. They are designed to protect those who, when they invest, assume the risk. They are intended, among other things, to ensure that the public is informed of that risk and that mutual funds are operated and managed in the interests of their shareholders.

**Conduit Theory:** An extra layer of taxation is avoided under the "conduit theory" which applies to most mutual funds under which fund shareholders are treated substantially as if they directly held the securities in the fund's portfolio.

Provided the fund qualifies under Subchapter M of the federal Internal Revenue Code of 1954, the fund pays no federal income tax on dividends, interest and capital gains distributed to shareholders.

In order to qualify, a mutual fund must, among other things, distribute to its shareholders at least 90 percent of its investment company taxable income each year. Thus a shareholder receives investment income dividends and capital gains distributions from a qualifying fund without any tax being levied on the fund. Instead, shareholders must report these payments on their own tax returns.

# Glossary of Mutual Fund Terms

**(For explanation of types of funds, see page 15; for retirement plans, see page 45.)**

**Adviser**
The organization which is employed by a mutual fund to give professional advice on its investments and management of its assets.

**Asked or Offering Price**
The price at which a mutual fund's shares can be purchased. The asked or offering price means the current net asset value per share plus sales charge, if any.

**Automatic Reinvestment**
The option available to mutual fund shareholders whereby fund income dividends and capital gains distributions are automatically put back into the fund to buy new shares and thereby build up holdings.

**Bid or Redemption Price**
The price at which a mutual fund's shares are redeemed (bought back) by the fund. The bid or redemption price usually means the current net asset value per share.

**Bookshares**
A modern share-recording system which eliminates the need for mutual fund share certificates but gives the fund shareowner a record of his holdings.

**Broker-Dealer (or Dealer)**
A firm which retails mutual fund shares and other securities to the public.

**Capital Gains Distributions**
Payments to mutual fund shareholders of gains realized on the sale of the fund's portfolio securities. These amounts usually are paid once a year.

**Capital Growth**
An increase in market value of a mutual fund's securities which is reflected in the net asset value of fund shares. This is a specific long-term objective of many mutual funds.

**Closed-end Investment Company**
Unlike mutual funds (known as "open-end funds"), closed-end companies issue only a limited number of shares and do not redeem them (buy them back). Instead, closed-end shares are traded in the securities markets, with supply and demand determining the price.

**Contractual Plan**
A program for the accumulation of mutual fund shares in which the investor agrees to invest a fixed amount on a regular basis for a specified number of years. A substantial portion of the sales charge applicable to the total investment is usually deducted from early payments.

**Conversion Privilege**
See Exchange Privilege.

**Custodian**
The organization (usually a bank) which holds in custody and safekeeping the securities and other assets of a mutual fund.

**Diversification**
The mutual fund policy of spreading its investments among a number of different securities to reduce the risks inherent in investing.

**Dollar-Cost Averaging**
Investing equal amounts of money at regular intervals regardless of whether

the stock market is moving upward or downward. This reduces average share costs to the investor who acquired more shares in periods of lower securities prices and fewer shares in periods of higher prices.

**Exchange Privilege**
Enables a mutual fund shareholder to transfer his investment from one fund to another within the same fund group if his needs or objectives change, generally with a small transaction charge.

**Income Dividends**
Payments to mutual fund shareholders of dividends, interest and short-term capital gains earned on the fund's portfolio securities after deduction of operating expenses.

**Investment Adviser**
See Adviser.

**Investment Company**
A corporation, trust or partnership in which investors pool their money to obtain professional management and diversification of their investments. Mutual funds are the most popular type of investment company.

**Investment Objective**
The goal — e.g., long-term capital growth, current income, etc.—which an investor or a mutual fund pursues.

**Liquid Asset Fund**
See Money Market Fund (p. 15).

**Management Fee**
The amount paid by a mutual fund to the investment adviser for its services. The average fee industrywide is about one-half of one percent a year of the fund's assets.

**Mutual Fund**
An investment company which ordinarily stands ready to buy back (redeem) its shares at their current net asset value; the value of the shares depends on the market value of the fund's portfolio securities at the time. Also, most mutual funds continuously offer new shares to investors.

**Net Asset Value Per Share**
The market worth of a mutual fund's total assets — securities, cash and any acrued earnings — after deduction of liabilities, divided by the number of shares outstanding.

**No-Load Fund**
A mutual fund selling its shares at net asset value without the addition of sales charges.

**Open-end Investment Company**
The more formal name for a mutual fund, indicating that it stands ready to redeem its shares (buy them back) on demand.

**Payroll Deduction Plan**
An arrangement whereby an employee may accumulate shares in a mutual fund by authorizing his employer to deduct and transfer to the fund a specified amount from his salary at stated times.

**Periodic Payment Plan**
See Contractual Plan.

**Prospectus**
The official booklet which describes the mutual fund and offers its shares for sale. It contains information as required by the Securities and Exchange Commission on such subjects as the fund's investment objectives and policies, services, investment restrictions, officers and directors, how shares can be bought and redeemed, its charges and its financial statements.

**Qualified Retirement Plan**
A private retirement plan that meets the rules and regulations of the Internal Revenue Service. Contributions to a qualified retirement plan are in almost all cases tax deductible and earnings on such contributions are always tax sheltered until withdrawal.

**Redemption Price**
The amount per share the mutual fund shareholder receives when he cashes in his shares (also known as "bid price"). The value of the shares depends on the market value of the fund's portfolio securities at the time.

**Reinvestment Privilege**
A service provided by most mutual funds for the automatic reinvestment of a shareholder's income dividends and capital gains distributions in additional shares.

**Sales Charge**
An amount charged to purchase shares in many mutual funds. Typically the charge is 8.5 percent of the initial investment. The charge is added to the net asset value per share in the determination of the offering price. (Some funds, which do not have salesmen, have no sales charge.)

**Split Funding**
A program which combines the purchase of mutual fund shares with the purchase of life insurance contracts or other products.

**Transfer Agent**
The organization which is employed by a mutual fund to prepare and maintain records relating to the accounts of its shareholders.

**Underwriter or Principal Underwriter**
The organization which acts as the distributor of a mutual fund's shares to broker-dealers and the public.

**Withdrawal Plans**
Many mutual funds offer withdrawal programs whereby shareholders receive payments from their investments at regular intervals. These payments typically are drawn from the fund's dividends and capital gains distributions, if any, and from principal, to the extent necessary.

**Variable Annuity**
A contract under which an insurance annuity is purchased with a fixed number of dollars which are translated into a varying number of accumulation units. At retirement the annuitant is paid in a fixed number of annuity units monthly which are translated into a varying number of dollars. The value of both accumulation and annuity units varies in accordance with the performance of a portfolio invested in equity securities.

**Variable Life Insurance**
An equity-based life insurance policy in which the reserves may be invested in common stocks. The death benefit is guaranteed never to fall below the face value, but it could increase if the value of the securities increases. There may be no guaranteed cash surrender value under this kind of policy.

**Voluntary Plan**
A flexible accumulation plan in which there is no definite time period or total amount to be invested.

# Appendix


| | Page No. |
|---|---|
| Shareholder Accounts, Total Net Assets, and Cash Position Equity, Bond, and Income Funds 1965-1983 | 59 |
| Distribution of Mutual Fund Assets Equity, Bond, and Income Funds 1966-1983 | 60 |
| Total Net Assets and Cash Position By Fund Characteristics 1980-1983 | 61 |
| Total Net Assets of Mutual Funds By Investment Objective Within Method of Distribution 1976-1983 | 62 |
| Type of Shareholder Accounts Equity, Bond, and Income Funds 1971-1983 | 63 |
| Mutual Funds Capital Changes Equity, Bond, and Income Funds 1965-1983 | 64 |
| Annual Repurchase (Redemption) Rate Equity, Bond, and Income Funds 1952-1983 | 65 |
| Mutual Fund Net New Money Flow Related to Net New Money Flow From Individuals to Savings and Investment Vehicles 1960-1983 | 66 |
| Mutual Funds' Distributions to Shareholders Equity, Bond, and Income Funds 1965-1983 | 67 |
| Sales and Reinvested Dividends By Fund Characteristics 1980-1983 | 68 |
| Sales and Redemptions of Equity, Bond, and Income Funds By Fund Characteristics 1981-1983 | 70 |
| Sales of Mutual Funds By Investment Objective Within Method of Distribution 1976-1983 | 71 |
| Redemptions of Mutual Funds By Investment Objective Within Method of Distribution 1976-1983 | 72 |
| Investor Purchases of Equity, Bond, and Income Fund Shares By States and Geographical Regions 1983 in Dollars By Method of Distribution | 73 |
| Investor Purchases of Equity, Bond, and Income Fund Shares By States and Geographical Regions 1983 in Percentages By Method of Distribution | 75 |
| Total Purchases, Total Sales and Net Purchases of Securities Portfolio Securities By Mutual Funds 1963-1983 | 77 |
| Total Purchases, Total Sales and Net Purchases of Common Stocks By Mutual Funds 1963-1983 | 78 |
| Total Purchases, Total Sales and Net Purchases of Other Than Common Stocks By Mutual Funds 1963-1983 | 79 |
| Portfolio Purchases and Sales By Fund Characteristics 1980-1983 | 80 |
| Sales Due to Exchanges By Investment Objective 1981-1983 | 81 |
| Redemptions Due to Exchanges By Investment Objective 1981-1983 | 81 |
| Net Sales Due to Exchanges By Investment Objective 1981-1983 | 81 |

# Appendix


Page No.

Limited Maturity Municipal Bond Funds 1980-1983 ..... 82
Money Market Funds 1974-1983 ..... 83
Money Market Fund Assets 1978-1983 ..... 84
Money Market Fund Shareholder Accounts By Type of Fund 1981-1983 ..... 86
Money Market Funds Asset Composition 1978-1983 ..... 87
IRA Assets and Accounts By Investment Objective 1983 ..... 88
Keogh Assets and Accounts By Investment Objective 1983 ..... 88
Fiduciary, Business and Institutional Investors of Mutual Funds Excluding Money Market Funds 1954-1983 ..... 89
Fiduciary, Business and Institutional Investors of Equity, Bond, and Income Funds, Number of Accounts 1981-1982-1983 ..... 90
Fiduciary, Business and Institutional Investors of Equity, Bond, and Income Funds, Value of Holdings 1981-1982-1983 ..... 91
Fiduciary, Business and Institutional Investors of Money Market Funds, Number of Accounts 1981-1982-1983 ..... 92
Fiduciary, Business and Institutional Investors of Money Market Funds, Value of Holdings 1981-1982-1983 ..... 93
Fiduciary, Business and Institutional Investors of Money Market Funds By Type of Fund, Number of Accounts 1982-1983 ..... 94
Fiduciary, Business and Institutional Investors of Money Market Funds By Type of Fund, Value of Holdings 1982-1983 ..... 95
Fiduciary, Business and International Investors of Short-Term Municipal Bonds Funds, Number of Accounts, 1981-1982-1983 ..... 96
Fiduciary, Business and Institutional Investors of Short-Term Municipal Bond Funds Value of Holdings, 1981-1982-1983 ..... 97
Assets of Major Institutions and Financial Intermediaries 1976-1983 ..... 98

## SHAREHOLDER ACCOUNTS, TOTAL NET ASSETS, AND CASH POSITION EQUITY, BOND, AND INCOME FUNDS 1965–1983

| Calendar Year End | Number of Reporting Funds | Number of Accounts (in Thousands) | Assets (in Billions of Dollars) | Cash Position (in Billions of Dollars) |
|---|---|---|---|---|
| 1965 | 170 | 6,709.3 | $35.2 | $1.8 |
| 1966 | 182 | 7,701.7 | 34.8 | 3.0 |
| 1967 | 204 | 7,904.1 | 44.7 | 2.6 |
| 1968 | 240 | 9,080.2 | 52.7 | 3.2 |
| 1969 | 269 | 10,391.5 | 48.3 | 3.8 |
| 1970 | 361 | 10,690.3 | 47.6 | 3.1 |
| 1971 | 392 | 10,901.0 | 55.0 | 2.6 |
| 1972 | 410 | 10,635.3 | 59.8 | 2.6 |
| 1973 | 421 | 10,330.9 | 46.5 | 3.4 |
| 1974 | 416 | 9,970.4 | 34.1 | 3.4 |
| 1975 | 390 | 9,712.5 | 42.2 | 3.2 |
| 1976 | 404 | 8,879.4 | 47.6 | 2.4 |
| 1977 | 427 | 8,515.1 | 45.0 | 3.3 |
| 1978 | 444 | 8,190.6 | 45.0 | 4.5 |
| 1979 | 446 | 7,482.2 | 49.0 | 4.7 |
| 1980 | 458 | 7,325.5 | 58.4 | 5.3 |
| 1981 | 486 | 7,175.5 | 55.2 | 5.3 |
| 1982 | 539 | 8,190.3 | 76.8 | 6.0 |
| 1983 | 653 | 12,023.6 | 113.6 | 8.3 |

**NOTE:** Figures for shareholder accounts represent combined totals for member companies. Duplications have not been eliminated.

## DISTRIBUTION OF MUTUAL FUND ASSETS
## EQUITY, BOND, AND INCOME FUNDS
## CALENDAR YEAR END, 1966–1983

(Millions of Dollars)

| Year | Total Net Assets | Net Cash & Equivalent | Corporate Bonds | Preferred Stocks | Common Stocks | Municipal Bonds | Long Term US Gov't. | Other |
|---|---|---|---|---|---|---|---|---|
| 1966 | $34.829 | $2.971 | $2.915 | $ 505 | $28.438 | NA | NA | NA |
| 1967 | 44.701 | 2.566 | 2.959 | 755 | 38.421 | NA | NA | NA |
| 1968 | 52.677 | 3.187 | 3.408 | 1.675 | 44.407 | NA | NA | NA |
| 1969 | 48.291 | 3.846 | 3.586 | 1.190 | 39.669 | NA | NA | NA |
| 1970 | 47.618 | 3.124 | 4.286 | 1.143 | 38.540 | NA | NA | $525 |
| 1971 | 55.045 | 2.601 | 4.910 | 1.206 | 45.891 | NA | NA | 437 |
| 1972 | 59.831 | 2.598 | 5.068 | 993 | 50.735 | NA | NA | 437 |
| 1973 | 46.519 | 3.426 | 4.196 | 623 | 37.698 | NA | NA | 576 |
| 1974 | 34.062 | 3.357 | 3.611 | 426 | 26.103 | NA | NA | 565 |
| 1975 | 42.179 | 3.209 | 4.766 | 506 | 33.158 | NA | NA | 540 |
| 1976 | 47.582 | 2.352 | 6.977 | 655 | 37.158 | NA | NA | 440 |
| 1977 | 45.049 | 3.274 | 6.475 | 418 | 30.746 | $2.256 | $1.295 | 585 |
| 1978 | 44.980 | 4.507 | 5.545 | 405 | 30.678 | 2.550 | 1.093 | 202 |
| 1979 | 48.980 | 4.995 | 5.582 | 443 | 34.334 | 2.651 | 798 | 177 |
| 1980 | 58.400 | 5.321 | 6.582 | 531 | 41.561 | 2.866 | 1.433 | 106 |
| 1981 | 55.207 | 5.277 | 7.489 | 399 | 36.649 | 3.046 | 2.147 | 200 |
| 1982 | 76.841 | 6.040 | 10.833 | 1.628 | 47.720 | 6.797 | 3.752 | 71 |
| 1983 | 113.599 | 8.343 | 13.052 | 1.474 | 72.942 | 13.368 | 3.894 | 526 |
| | | | | (PERCENTAGES) | | | | |
| 1966 | 100.0% | 8.5% | 8.4% | 1.4% | 81.7% | NA | NA | NA |
| 1967 | 100.0 | 5.7 | 6.6 | 1.7 | 86.0 | NA | NA | NA |
| 1968 | 100.0 | 6.0 | 6.5 | 3.2 | 84.3 | NA | NA | NA |
| 1969 | 100.0 | 8.0 | 7.4 | 2.5 | 82.1 | NA | NA | NA |
| 1970 | 100.0 | 6.6 | 9.0 | 2.4 | 80.9 | NA | NA | 1.1% |
| 1971 | 100.0 | 4.7 | 8.9 | 2.2 | 83.4 | NA | NA | 0.8 |
| 1972 | 100.0 | 4.3 | 8.5 | 1.7 | 84.8 | NA | NA | 0.7 |
| 1973 | 100.0 | 7.4 | 9.0 | 1.3 | 81.0 | NA | NA | 1.3 |
| 1974 | 100.0 | 9.9 | 10.6 | 1.2 | 76.6 | NA | NA | 1.7 |
| 1975 | 100.0 | 7.6 | 11.3 | 1.2 | 78.6 | NA | NA | 1.3 |
| 1976 | 100.0 | 4.9 | 14.7 | 1.4 | 78.1 | NA | NA | 0.9 |
| 1977 | 100.0 | 7.3 | 14.4 | 0.9 | 68.2 | 5.0% | 2.9% | 1.3 |
| 1978 | 100.0 | 10.0 | 12.3 | 0.9 | 68.2 | 5.7 | 2.4 | 0.5 |
| 1979 | 100.0 | 10.2 | 11.4 | 0.9 | 70.1 | 5.4 | 1.6 | 0.4 |
| 1980 | 100.0 | 9.1 | 11.3 | 0.9 | 71.2 | 4.9 | 2.4 | 0.2 |
| 1981 | 100.0 | 9.5 | 13.6 | 0.7 | 66.4 | 5.5 | 3.9 | 0.4 |
| 1982 | 100.0 | 7.9 | 14.1 | 2.1 | 62.1 | 8.8 | 4.9 | 0.1 |
| 1983 | 100.0 | 7.3 | 11.5 | 1.3 | 64.2 | 11.8 | 3.4 | 0.5 |

## TOTAL NET ASSETS AND CASH POSITION BY FUND CHARACTERISTICS

Year-end (In Millions of Dollars)

| | 1980 | | 1981 | | 1982 | | 1983 | |
|---|---|---|---|---|---|---|---|---|
| | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent |
| **TOTAL NET ASSETS** | $58,399.6 | 100.0% | $55,207.3 | 100.0% | $76,840.6 | 100.0% | $113,598.6 | 100.0% |
| **Method of Distribution:** | | | | | | | | |
| Broker-Dealer | 32,032.4 | 54.9 | 30,636.6 | 55.5 | 42,337.4 | 55.1 | 62,651.7 | 55.2 |
| Direct Selling | 9,176.7 | 15.7 | 8,600.4 | 15.5 | 11,256.1 | 14.6 | 14,444.9 | 12.7 |
| No-Load | 15,647.5 | 26.8 | 14,548.4 | 26.4 | 21,883.6 | 28.5 | 34,654.1 | 30.5 |
| Other* | 1,543.0 | 2.6 | 1,421.9 | 2.6 | 1,363.5 | 1.8 | 1,847.9 | 1.6 |
| **Investment Objective:** | | | | | | | | |
| Aggressive Growth | 4,681.3 | 8.0 | 4,966.5 | 9.0 | 9,562.0 | 12.5 | 18,657.0 | 16.4 |
| Growth | 16,823.4 | 28.8 | 15,221.3 | 27.6 | 18,971.8 | 24.7 | 25,953.4 | 22.8 |
| Growth-&-Income | 19,522.6 | 33.4 | 18,226.8 | 33.0 | 22,029.8 | 28.7 | 29,256.1 | 25.8 |
| Balanced | 3,389.2 | 5.8 | 2,778.3 | 5.0 | 3,065.1 | 4.0 | 3,102.1 | 2.7 |
| Income | 4,801.8 | 8.2 | 4,487.3 | 8.1 | 5,865.7 | 7.6 | 8,813.1 | 7.8 |
| Bond | 5,712.6 | 9.8 | 5,913.3 | 10.7 | 9,094.7 | 11.8 | 11,297.8 | 9.9 |
| Municipal Bond | 2,908.3 | 5.0 | 3,062.5 | 5.6 | 7,455.6 | 9.7 | 14,607.2 | 12.9 |
| Option Income | 560.4 | 1.0 | 551.6 | 1.0 | 795.9 | 1.0 | 1,911.9 | 1.7 |
| **NET CASH AND EQUIVALENT** | $ 5,321.1 | 100.0% | $ 5,276.9 | 100.0% | $ 6,039.8 | 100.0% | $ 8,343.1 | 100.0% |
| **Method of Distribution:** | | | | | | | | |
| Broker-Dealer | 2,778.3 | 52.2 | 2,782.5 | 52.7 | 3,433.9 | 56.9 | 4,538.1 | 54.4 |
| Direct Selling | 1,130.0 | 21.2 | 1,285.8 | 24.4 | 1,023.7 | 16.9 | 1,380.0 | 16.6 |
| No-Load | 1,359.2 | 25.6 | 1,158.0 | 21.9 | 1,510.3 | 25.0 | 2,338.1 | 28.0 |
| Other* | 53.6 | 1.0 | 50.6 | 1.0 | 71.9 | 1.2 | 86.8 | 1.0 |
| **Investment Objective:** | | | | | | | | |
| Aggressive Growth | 529.4 | 9.9 | 644.1 | 12.2 | 814.6 | 13.5 | 1,179.1 | 14.1 |
| Growth | 1,510.5 | 28.4 | 1,776.1 | 33.6 | 1,646.1 | 27.2 | 2,747.8 | 32.9 |
| Growth-&-Income | 1,675.4 | 31.5 | 1,746.0 | 33.1 | 1,948.3 | 32.3 | 1,922.4 | 23.1 |
| Balanced | 309.4 | 5.8 | 164.5 | 3.1 | 186.3 | 3.1 | 127.7 | 1.5 |
| Income | 379.0 | 7.1 | 268.5 | 5.1 | 303.0 | 5.0 | 476.1 | 5.7 |
| Bond | 606.8 | 11.4 | 457.5 | 8.7 | 530.2 | 8.8 | 874.4 | 10.5 |
| Municipal Bond | 290.3 | 5.5 | 184.1 | 3.5 | 562.9 | 9.3 | 848.5 | 10.2 |
| Option Income | 20.3 | 0.4 | 36.1 | 0.7 | 48.4 | 0.8 | 167.1 | 2.0 |

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

## TOTAL NET ASSETS OF MUTUAL FUNDS BY INVESTMENT OBJECTIVE WITHIN METHOD OF DISTRIBUTION 1976–1983

(In Millions of Dollars)

| | Aggressive Growth | Growth | Growth-&-Income | Balanced | Income | Bond | Municipal Bond | Option Income | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Broker-Dealer | | | | |
| 1976 | $1,194.6 | $8,079.4 | $13,076.0 | $2,286.5 | $3,282.1 | $1,996.3 | $ 173.5 | $ — | $30,088.4 |
| 1977 | 1,265.0 | 6,414.6 | 11,072.7 | 1,243.8 | 2,905.9 | 2,143.2 | 362.8 | 337.1 | 25,745.1 |
| 1978 | 1,250.0 | 6,256.0 | 10,700.8 | 1,147.6 | 2,845.3 | 2,586.1 | 490.7 | 408.1 | 25,684.6 |
| 1979 | 1,557.4 | 6,553.5 | 11,075.1 | 1,105.0 | 2,140.3 | 2,805.7 | 542.4 | 454.4 | 26,233.8 |
| 1980 | 2,370.2 | 8,620.6 | 13,162.9 | 1,133.6 | 2,323.7 | 3,256.6 | 626.1 | 538.7 | 32,032.4 |
| 1981 | 2,783.6 | 7,808.2 | 12,399.7 | 956.6 | 2,203.7 | 3,287.9 | 673.9 | 523.0 | 30,636.6 |
| 1982 | 5,419.2 | 10,083.8 | 15,000.3 | 1,104.8 | 2,932.0 | 5,128.7 | 1,897.6 | 771.0 | 42,337.4 |
| 1983 | 10,949.2 | 15,005.5 | 17,241.6 | 1,165.3 | 4,871.5 | 5,850.7 | 5,738.9 | 1,829.0 | 62,651.7 |
| | | | | | Direct Sellers | | | | |
| 1976 | 491.3 | 2,319.5 | 3,158.0 | 2,241.4 | 1,001.2 | 950.1 | 6.8 | — | 10,168.3 |
| 1977 | 435.4 | 1,814.2 | 2,591.3 | 1,910.1 | 917.3 | 1,308.0 | 160.0 | — | 9,136.9 |
| 1978 | 411.0 | 1,692.4 | 2,131.5 | 1,706.3 | 1,131.5 | 1,545.0 | 234.4 | — | 8,852.1 |
| 1979 | 428.4 | 1,673.8 | 2,010.7 | 1,508.0 | 1,077.3 | 1,691.0 | 331.0 | — | 8,720.2 |
| 1980 | 627.0 | 1,858.4 | 2,056.3 | 1,410.6 | 1,041.9 | 1,787.0 | 395.5 | — | 9,176.7 |
| 1981 | 672.4 | 1,777.0 | 1,649.0 | 1,107.3 | 907.6 | 1,916.8 | 570.3 | — | 8,600.4 |
| 1982 | 1,055.5 | 2,152.0 | 1,815.1 | 1,168.8 | 1,029.7 | 2,581.0 | 1,454.0 | — | 11,256.1 |
| 1983 | 1,635.2 | 2,710.3 | 2,210.6 | 1,162.1 | 954.3 | 3,488.6 | 2,283.8 | — | 14,444.9 |
| | | | | | No-Load | | | | |
| 1976 | 494.3 | 3,243.8 | 948.7 | 358.6 | 306.4 | 309.1 | 366.0 | — | 6,026.9 |
| 1977 | 489.5 | 3,272.8 | 1,429.5 | 955.0 | 541.1 | 548.0 | 1,752.9 | — | 8,988.8 |
| 1978 | 642.0 | 3,511.8 | 1,547.5 | 868.7 | 567.8 | 569.1 | 1,894.5 | 10.8 | 9,612.2 |
| 1979 | 944.0 | 4,613.2 | 2,285.6 | 825.1 | 1,324.5 | 589.7 | 2,132.9 | 14.6 | 12,729.6 |
| 1980 | 1,630.1 | 6,157.0 | 3,001.7 | 845.0 | 1,436.1 | 669.0 | 1,886.8 | 21.8 | 15,647.5 |
| 1981 | 1,403.3 | 5,480.0 | 3,019.8 | 714.4 | 1,375.8 | 708.5 | 1,818.3 | 28.3 | 14,548.4 |
| 1982 | 3,087.3 | 6,575.8 | 4,011.1 | 791.5 | 1,904.0 | 1,384.9 | 4,104.1 | 24.9 | 21,883.6 |
| 1983 | 6,072.6 | 7,810.8 | 8,382.9 | 774.7 | 2,987.2 | 1,958.5 | 6,584.5 | 82.9 | 34,654.1 |

## TYPE OF SHAREHOLDER ACCOUNTS
## EQUITY, BOND, AND INCOME FUNDS
## 1971–1983

(In Thousands)

| Year End | Total Shareholder Accounts | Regular Accounts | Contractual Accumulation Plans | Contractual Single Payment Plans | Withdrawal Accounts |
|---|---|---|---|---|---|
| | | | NUMBER | | |
| 1971 | 10,901 | 8,996 | 1,455 | 169 | 281 |
| 1972 | 10,635 | 8,856 | 1,342 | 157 | 280 |
| 1973 | 10,331 | 8,699 | 1,214 | 166 | 252 |
| 1974 | 9,970 | 8,524 | 1,081 | 140 | 225 |
| 1975 | 9,667 | 8,302 | 1,029 | 126 | 210 |
| 1976 | 8,879 | 7,647 | 930 | 112 | 190 |
| 1977 | 8,515 | 7,395 | 844 | 101 | 175 |
| 1978 | 8,068 | 7,080 | 757 | 75 | 156 |
| 1979 | 7,482 | 6,602 | 677 | 64 | 139 |
| 1980 | 7,326 | 6,598 | 554 | 45 | 129 |
| 1981 | 7,175 | 6,486 | 537 | 30 | 122 |
| 1982 | 8,190 | 7,573 | 471 | 28 | 118 |
| 1983 | 12,023 | 11,284 | 585 | 20 | 134 |
| | | | PERCENT | | |
| 1971 | 100.0% | 82.5% | 13.3% | 1.6% | 2.6% |
| 1972 | 100.0 | 83.3 | 12.6 | 1.5 | 2.6 |
| 1973 | 100.0 | 84.2 | 11.8 | 1.6 | 2.4 |
| 1974 | 100.0 | 85.5 | 10.8 | 1.4 | 2.3 |
| 1975 | 100.0 | 85.9 | 10.6 | 1.3 | 2.2 |
| 1976 | 100.0 | 86.1 | 10.5 | 1.3 | 2.1 |
| 1977 | 100.0 | 86.9 | 9.9 | 1.2 | 2.0 |
| 1978 | 100.0 | 87.8 | 9.4 | 0.9 | 1.9 |
| 1979 | 100.0 | 88.2 | 9.0 | 0.9 | 1.9 |
| 1980 | 100.0 | 90.1 | 7.6 | 0.6 | 1.8 |
| 1981 | 100.0 | 90.4 | 7.5 | 0.4 | 1.7 |
| 1982 | 100.0 | 92.5 | 5.8 | 0.3 | 1.4 |
| 1983 | 100.0 | 93.8 | 4.9 | 0.2 | 1.1 |

## MUTUAL FUNDS CAPITAL CHANGES, EQUITY, BOND, AND INCOME FUNDS 1965–1983

(In Millions of Dollars)

| Calendar Year | Sales of Own Shares | Repurchases of Own Shares | Net Increase |
|---|---|---|---|
| 1965 | $4,358.1 | $1,962.4 | $2,395.7 |
| 1966 | 4,671.8 | 2,005.1 | 2,666.8 |
| 1967 | 4,669.6 | 2,744.2 | 1,925.4 |
| 1968 | 6,819.8 | 3,838.7 | 2,981.1 |
| 1969 | 6,718.3 | 3,661.6 | 3,056.6 |
| 1970 | 4,625.8 | 2,987.6 | 1,638.2 |
| 1971 | 5,147.2 | 4,750.2 | 397.0 |
| 1972 | 4,892.5 | 6,562.9 | (1,670.7) |
| 1973 | 4,359.3 | 5,651.1 | (1,291.8) |
| 1974 | 3,091.5 | 3,380.9 | (289.5) |
| 1975 | 3,307.2 | 3,686.3 | (379.1) |
| 1976 | 4,360.5 | 6,801.2 | (2,440.7) |
| 1977 | 6,399.6 | 6,026.0 | 373.6 |
| 1978 | 6,705.3 | 7,232.4 | (527.1) |
| 1979 | 6,826.1 | 8,005.0 | (1,178.9) |
| 1980 | 9,993.7 | 8,200.0 | 1,793.6 |
| 1981 | 9,710.4 | 7,470.4 | 2,240.0 |
| 1982 | 15,738.3 | 7,571.8 | 8,166.5 |
| 1983 | 40,325.1 | 14,677.6 | 25,647.5 |

## ANNUAL REPURCHASE (REDEMPTION) RATE, EQUITY, BOND, AND INCOME FUNDS
## 1952–1983

(In Millions of Dollars)

| Year | Average Total Net Assets | Own Shares Repurchased | Redemption Rate as a Percent of Average Assets |
|---|---|---|---|
| 1952 | $ 3,531 | $ 196 | 5.6% |
| 1953 | 4,039 | 239 | 5.9 |
| 1954 | 5,128 | 400 | 7.8 |
| 1955 | 6,974 | 443 | 6.4 |
| 1956 | 8,442 | 438 | 5.2 |
| 1957 | 8,880 | 406 | 4.6 |
| 1958 | 10,933 | 511 | 4.7 |
| 1959 | 14,530 | 786 | 5.4 |
| 1960 | 16,422 | 842 | 5.1 |
| 1961 | 19,907 | 1,160 | 5.8 |
| 1962 | 22,030 | 1,123 | 5.1 |
| 1963 | 23,243 | 1,505 | 6.5 |
| 1964 | 27,165 | 1,874 | 6.9 |
| 1965 | 32,168 | 1,962 | 6.1 |
| 1966 | 35,025 | 2,005 | 5.7 |
| 1967 | 39,765 | 2,744 | 6.9 |
| 1968 | 48,689 | 3,839 | 7.9 |
| 1969 | 50,484 | 3,662 | 7.3 |
| 1970 | 47,954 | 2,988 | 6.2 |
| 1971 | 51,332 | 4,750 | 9.3 |
| 1972 | 57,438 | 6,563 | 11.4 |
| 1973 | 53,175 | 5,651 | 10.6 |
| 1974 | 40,290 | 3,381 | 8.4 |
| 1975 | 38,120 | 3,686 | 9.7 |
| 1976 | 44,880 | 6,801 | 15.2 |
| 1977 | 46,316 | 6,026 | 13.0 |
| 1978 | 45,014 | 7,232 | 16.4 |
| 1979 | 46,980 | 8,005 | 17.0 |
| 1980 | 53,690 | 8,200 | 15.3 |
| 1981 | 56,803 | 7,470 | 13.2 |
| 1982 | 66,024R | 7,572 | 11.5R |
| 1983 | 95,220 | 14,678 | 15.4 |

**NOTE:** "Average" Value Assets are an average of values at the beginning of the year and at the end of the year.

R—Revised

## MUTUAL FUNDS NET NEW MONEY FLOW RELATED TO NET NEW MONEY FLOW FROM INDIVIDUALS TO SAVINGS AND INVESTMENT VEHICLES

(Dollar Figures in Billions)

| Year | Net New Money To Savings and Investment Vehicles[1] | Net New Money To Mutual Funds[2] | Mutual Funds Net New Money as a Percent of Total |
|---|---|---|---|
| 1960 | $ 32.5 | $ 1.3 | 4.0% |
| 1965 | 59.0 | 2.4 | 4.1 |
| 1970 | 78.8 | 1.6 | 2.0 |
| 1975 | 174.3R | 0.5 | 0.3 |
| 1980 | 323.1R | 31.4 | 9.7R |
| 1981 | 354.2R | 109.6 | 30.9 |
| 1982 | 365.2R | 37.6R | 10.3R |
| 1983 | 428.7 | −18.2 | — |

[1]From the "FRB Study of the Volume and Composition of Individuals' Savings" as reported in the Statistical Bulletins. Seasonally adjusted annual rates of individuals savings.

[2]± Investment Company Institute members, including money market funds.

R—Revised

## MUTUAL FUNDS' DISTRIBUTIONS TO SHAREHOLDERS, 1965–1983 EQUITY, BOND, AND INCOME FUNDS

(In Millions of Dollars)

| Year | Distributions From Net Investment Income | Distributions From Net Realized Capital Gains |
|---|---|---|
| 1965 | $ 797.3 | $ 939.8 |
| 1966 | 875.1 | 1,318.5 |
| 1967 | 962.0 | 1,689.6 |
| 1968 | 1,014.1 | 2,400.0 |
| 1969 | 1,181.7 | 2,536.5 |
| 1970 | 1,414.1 | 922.1 |
| 1971 | 1,330.7 | 775.5 |
| 1972 | 1,286.6 | 1,402.6 |
| 1973 | 1,300.2 | 943.3 |
| 1974 | 1,553.2 | 484.3 |
| 1975 | 1,449.1 | 219.2 |
| 1976 | 1,580.0 | 470.9 |
| 1977 | 1,789.7 | 634.8 |
| 1978 | 2,116.0 | 710.6 |
| 1979 | 2,451.4 | 929.9 |
| 1980 | 2,669.0 | 1,774.2 |
| 1981 | 3,143.0 | 2,697.2 |
| 1982 | 3,832.9 | 2,350.1 |
| 1983 | 4,981.0 | 4,391.6 |

## SALES AND REINVESTED DIVIDENDS BY FUND CHARACTERISTICS 1980–1981

(In Millions of Dollars)

| 1980 | Total Sales | Total Reinvested Dividends | Sales less Reinvested Dividends |
|---|---|---|---|
| **Total** | **$9,993.7** | **$1,856.8** | **$8,136.9** |
| Method of Distribution | | | |
| Broker Dealer | 4,831.9 | 905.5 | 3,926.4 |
| Direct Sellers | 1,070.7 | 416.1 | 654.6 |
| No-Load | 4,087.1 | 531.2 | 3,555.9 |
| Other | 4.0 | 4.0 | 0.0 |
| Investment Objective | | | |
| Aggressive Growth | 1,635.6 | 111.4 | 1,524.2 |
| Growth | 2,048.6 | 400.4 | 1,648.2 |
| Growth-&-Income | 1,762.9 | 466.0 | 1,296.9 |
| Balanced | 156.0 | 123.8 | 32.2 |
| Income | 815.8 | 228.4 | 587.4 |
| Bond | 1,680.4 | 335.3 | 1,345.1 |
| Municipal Bond | 1,756.6 | 168.7 | 1,587.9 |
| Option Income | 137.8 | 22.8 | 115.0 |
| **1981** | | | |
| **Total** | **$9,710.4** | **$2,277.7** | **$7,432.7** |
| Method of Distribution | | | |
| Broker Dealer | 5,051.5 | 1,127.2 | 3,924.3 |
| Direct Sellers | 1,379.5 | 554.5 | 825.0 |
| No-Load | 3,266.9 | 590.9 | 2,676.0 |
| Other | 12.5 | 6.3 | 6.2 |
| Investment Objective | | | |
| Aggressive Growth | 1,525.8 | 110.3 | 1,415.5 |
| Growth | 2,163.8 | 504.7 | 1,659.1 |
| Growth-&-Income | 2,060.6 | 559.9 | 1,500.7 |
| Balanced | 167.6 | 141.0 | 26.6 |
| Income | 659.3 | 257.2 | 402.1 |
| Bond | 1,453.2 | 444.8 | 988.4 |
| Municipal Bond | 1,547.2 | 204.4 | 1,342.8 |
| Option Income | 132.9 | 35.5 | 97.4 |

## SALES AND REINVESTED DIVIDENDS BY FUND CHARACTERISTICS 1982–1983

(In Millions of Dollars)

| 1982 | Total Sales | Total Reinvested Dividends | Sales less Reinvested Dividends |
|---|---|---|---|
| **Total** | **$15,738.3** | **$2,628.5** | **$13,109.8** |
| Method of Distribution | | | |
| Broker Dealer | 8,347.3 | 1,354.4 | 6,992.9 |
| Direct Sellers | 1,997.8 | 532.0 | 1,465.8 |
| No-Load | 5,388.0 | 736.9 | 4,651.1 |
| Other | 5.2 | 5.2 | 0.0 |
| Investment Objective | | | |
| Aggressive Growth | 2,508.8 | 169.8 | 2,339.0 |
| Growth | 2,890.3 | 463.0 | 2,427.3 |
| Growth-&-Income | 2,640.7 | 685.3 | 1,955.4 |
| Balanced | 169.5 | 126.1 | 43.4 |
| Income | 1,049.0 | 291.7 | 757.3 |
| Bond | 2,639 2 | 542.5 | 2,096.7 |
| Municipal Bond | 3,486.6 | 314.4 | 3,172.2 |
| Option Income | 354.2 | 35.7 | 318.5 |
| **1983** | | | |
| **Total** | **$40,325.1** | **$3,364.1** | **$36,961.0** |
| Method of Distribution | | | |
| Broker Dealer | 22,037.1 | 1,613.2 | 20,423.9 |
| Direct Sellers | 3,353.3 | 620.3 | 2,733.0 |
| No-Load | 14,920.8 | 1,119.0 | 13,801.8 |
| Other | 13.9 | 11.6 | 2.3 |
| Investment Objective | | | |
| Aggressive Growth | 8,161.8 | 204.0 | 7,957.8 |
| Growth | 8,412.8 | 513.7 | 7,899.1 |
| Growth-&-Income | 5,574.1 | 722.0 | 4,852.1 |
| Balanced | 226.0 | 129.3 | 96.7 |
| Income | 3,847.4 | 346.9 | 3,500.5 |
| Bond | 3,770.3 | 749.0 | 3,021.3 |
| Municipal Bond | 9,127.5 | 661.8 | 8,465.7 |
| Option Income | 1,205.2 | 37.4 | 1,167.8 |

## SALES AND REDEMPTIONS OF EQUITY, BOND, AND INCOME FUNDS BY FUND CHARACTERISTICS

(In Millions of Dollars)

| | 1981 | | 1982 | | 1983 | |
|---|---|---|---|---|---|---|
| | Dollars | Percent | Dollars | Percent | Dollars | Percent |
| **SALES** | **$9,710.4** | **100.0%** | **$15,738.3** | **100.0%** | **$40,325.1** | **100.0%** |
| **Type of Sale:** | | | | | | |
| Regular Single Payment | 5,271.1 | 54.3 | 12,860.3* | 81.7 | 36,679.5 | 91.0 |
| Voluntary Accumulation Plan | 2,070.9 | 21.3 | — | — | — | — |
| Contractual Accumulation Plan | 82.7 | 0.8 | 239.0 | 1.5 | 259.3 | 0.6 |
| Contractual Single Payment | 8.0 | 0.1 | 10.6 | 0.1 | 22.1 | 0.1 |
| Reinvested Investment Income | 2,277.7 | 23.5 | 2,628.4 | 16.7 | 3,364.2 | 8.3 |
| **Method of Distribution:** | | | | | | |
| Broker-Dealer | 5,050.9 | 52.0 | 8,347.3 | 53.1 | 22,037.1 | 54.7 |
| Direct Sellers | 1,379.8 | 14.2 | 1,997.8 | 12.7 | 3,353.3 | 8.3 |
| No-Load | 3,266.8 | 33.7 | 5,388.0 | 34.2 | 14,920.8 | 37.0 |
| Other | 12.8 | 0.1 | 5.2 | 0.0 | 13.9 | 0.0 |
| **Investment Objective:** | | | | | | |
| Aggressive Growth | 1,525.8 | 15.7 | 2,508.8 | 15.9 | 8,161.8 | 20.2 |
| Growth | 2,163.7 | 22.3 | 2,890.3 | 18.4 | 8,412.8 | 20.9 |
| Growth-&-Income | 2,060.5 | 21.2 | 2,640.7 | 16.8 | 5,574.1 | 13.8 |
| Balanced | 167.6 | 1.7 | 169.5 | 1.1 | 226.0 | 0.6 |
| Income | 659.6 | 6.8 | 1,049.0 | 6.7 | 3,847.4 | 9.5 |
| Bond | 1,453.2 | 15.0 | 2,639.2 | 16.8 | 3,770.3 | 9.4 |
| Municipal Bond | 1,547.1 | 15.9 | 3,486.6 | 22.1 | 9,127.5 | 22.6 |
| Option Income | 132.9 | 1.4 | 354.2 | 2.2 | 1,205.2 | 3.0 |
| **REDEMPTIONS** | **$7,470.4** | **100.0%** | **$7,571.8** | **100.0%** | **$14,677.6** | **100.0%** |
| **Type of Redemption:** | | | | | | |
| Regular Account | 7,091.7 | 94.9 | 7,245.5 | 95.7 | 14,200.9 | 96.8 |
| Contractual Account | 377.9 | 5.1 | 326.3 | 4.3 | 476.7 | 3.2 |
| **Method of Distribution:** | | | | | | |
| Broker-Dealer | 3,721.7 | 49.8 | 4,089.7 | 54.0 | 7,379.9 | 50.3 |
| Direct Sellers | 1,092.5 | 14.6 | 1,047.1 | 13.8 | 1,399.8 | 9.5 |
| No-Load | 2,562.6 | 34.3 | 2311.2 | 30.6 | 5,801.7 | 39.5 |
| Other | 93.6 | 1.3 | 123.8 | 1.6 | 96.2 | 0.7 |
| **Investment Objective:** | | | | | | |
| Aggressive Growth | 1,135.7 | 15.2 | 1,030.7 | 13.6 | 2,857.4 | 19.5 |
| Growth | 1,880.7 | 25.2 | 1,996.5 | 26.4 | 3,324.0 | 22.6 |
| Growth-&-Income | 1,736.0 | 23.2 | 1,848.8 | 24.4 | 2,752.1 | 18.8 |
| Balanced | 389.6 | 5.2 | 320.3 | 4.2 | 318.3 | 2.2 |
| Income | 651.7 | 8.7 | 655.1 | 8.7 | 1,283.3 | 8.7 |
| Bond | 787.5 | 10.6 | 927.2 | 12.2 | 1,644.0 | 11.2 |
| Municipal Bond | 785.3 | 10.5 | 696.5 | 9.2 | 2,346.2 | 16.0 |
| Option Income | 103.9 | 1.4 | 96.7 | 1.3 | 152.3 | 1.0 |

*Includes voluntary accumulation plan sales.

## SALES OF MUTUAL FUNDS BY INVESTMENT OBJECTIVE WITHIN METHOD OF DISTRIBUTION
### 1976–1983
(In Millions of Dollars)

| | Aggressive Growth | Growth | Growth-&-Income | Balanced | Income | Bond | Municipal Bond | Option Income | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Broker-Dealer | | | | |
| 1976 | $ 144.3 | $ 527.0 | $ 717.5 | $ 76.4 | $ 300.4 | $ 397.1 | $ 166.1 | $ — | $2,328.8 |
| 1977 | 238.7 | 352.0 | 627.0 | 45.2 | 411.3 | 453.8 | 179.5 | 289.1 | 2,596.6 |
| 1978 | 175.8 | 496.8 | 707.7 | 120.2 | 359.8 | 842.3 | 154.5 | 139.5 | 2,996.6 |
| 1979 | 184.0 | 545.0 | 699.1 | 45.5 | 344.1 | 812.3 | 157.9 | 94.9 | 2,883.2 |
| 1980 | 578.2 | 960.5 | 1,257.7 | 51.0 | 426.6 | 1,022.1 | 405.3 | 130.5 | 4,831.9 |
| 1981 | 823.7 | 1,042.7 | 1,510.0 | 62.4 | 346.9 | 849.0 | 291.2 | 125.0 | 5,050.9 |
| 1982 | 1,580.7 | 1,466.0 | 1,717.5 | 51.6 | 581.7 | 1,544.3 | 1,083.6 | 321.9 | 8,347.3 |
| 1983 | 4,743.3 | 5,162.9 | 2,696.8 | 78.9 | 2,102.1 | 2,003.9 | 4,165.3 | 1,083.9 | 22,037.1 |
| | | | | | Direct Sellers | | | | |
| 1976 | 43.8 | 148.3 | 204.8 | 86.4 | 89.8 | 211.9 | 3.4 | — | 788.4 |
| 1977 | 32.1 | 128.2 | 185.6 | 82.8 | 109.3 | 314.7 | 69.2 | — | 921.9 |
| 1978 | 29.5 | 112.2 | 171.4 | 78.3 | 114.8 | 321.2 | 72.8 | — | 900.2 |
| 1979 | 40.5 | 112.3 | 134.3 | 78.2 | 126.6 | 320.1 | 91.8 | — | 903.8 |
| 1980 | 73.3 | 172.5 | 109.8 | 63.3 | 116.5 | 399.9 | 135.4 | — | 1,070.7 |
| 1981 | 145.9 | 283.3 | 145.4 | 62.8 | 386.4 | 103.4 | 252.6 | — | 1,379.8 |
| 1982 | 166.6 | 362.7 | 131.3 | 65.0 | 111.5 | 563.7 | 597.0 | — | 1,997.8 |
| 1983 | 484.6 | 579.3 | 177.9 | 63.8 | 169.2 | 896.9 | 981.6 | — | 3,353.3 |
| | | | | | No-Load | | | | |
| 1976 | 93.4 | 325.2 | 46.0 | 20.6 | 66.9 | 133.3 | 306.0 | — | 991.4 |
| 1977 | 136.8 | 348.2 | 137.7 | 40.7 | 112.2 | 214.5 | 1,807.4 | — | 2,797.5 |
| 1978 | 274.9 | 404.9 | 179.2 | 40.2 | 175.3 | 143.6 | 1,585.5 | 0.7 | 2,804.3 |
| 1979 | 462.7 | 513.6 | 225.2 | 40.8 | 174.2 | 140.6 | 2,100.6 | 15.8 | 3,673.5 |
| 1980 | 983.6 | 915.0 | 392.4 | 41.8 | 272.6 | 258.2 | 1,216.2 | 7.3 | 4,087.1 |
| 1981 | 548.6 | 837.1 | 400.4 | 42.4 | 209.2 | 217.9 | 1,003.3 | 7.9 | 3,266.8 |
| 1982 | 761.7 | 1,060.9 | 787.6 | 52.6 | 355.9 | 531.7 | 1,805.6 | 32.0 | 5,388.0 |
| 1983 | 2,928.9 | 2,669.2 | 2,691.5 | 83.4 | 1,570.4 | 875.6 | 3,980.8 | 121.0 | 14,920.8 |

Total Sales Figures Exclude:
(A) Reinvestment of capital gains distributions. (B) Sales due to conversions (exchanges) from one fund to another in the same group. (C) Redeposits under single contractual plans. (D) Other miscellaneous sources of share issue-mergers and acquisitions, etc.

## REDEMPTIONS OF MUTUAL FUNDS BY INVESTMENT OBJECTIVE WITHIN METHOD OF DISTRIBUTION
### 1976–1983
(In Millions of Dollars)

| | Aggressive Growth | Growth | Growth-&-Income | Balanced | Income | Bond | Municipal Bond | Option Income | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Broker-Dealer | | | | |
| 1976 | $ 243.8 | $1,439.1 | $1,939.4 | $255.0 | $363.1 | $192.7 | $ 9.6 | $ — | $4,442.7 |
| 1977 | 251.3 | 1,074.1 | 1,266.5 | 135.9 | 289.4 | 216.3 | 26.6 | 9.6 | 3,269.7 |
| 1978 | 287.4 | 1,140.2 | 1,348.5 | 196.3 | 301.2 | 271.5 | 70.4 | 68.6 | 3,684.1 |
| 1979 | 270.4 | 1,186.4 | 1,438.5 | 150.9 | 317.3 | 396.7 | 84.4 | 76.4 | 3,921.0 |
| 1980 | 351.5 | 1,064.6 | 1,375.4 | 111.2 | 251.2 | 515.2 | 146.7 | 79.9 | 3,895.7 |
| 1981 | 380.6 | 935.6 | 1,174.9 | 114.9 | 346.2 | 526.4 | 146.9 | 96.2 | 3,721.7 |
| 1982 | 636.8R | 1,028.2R | 1,200.6 | 98.2 | 325.2R | 581.1R | 144.6 | 75.0 | 4,089.7R |
| 1983 | 1,658.6 | 1,541.7 | 1,593.7 | 97.2 | 509.5 | 959.8 | 881.9 | 137.5 | 7,379.9 |
| | | | | | Direct Sellers | | | | |
| 1976 | 76.0 | 347.9 | 543.6 | 260.3 | 96.3 | 58.4 | — | — | 1,382.5 |
| 1977 | 70.1 | 290.7 | 340.4 | 196.0 | 81.2 | 84.3 | 3.4 | — | 1,066.1 |
| 1978 | 74.5 | 285.6 | 350.5 | 181.9 | 93.4 | 128.0 | 18.2 | — | 1,132.1 |
| 1979 | 83.4 | 297.2 | 416.2 | 233.6 | 160.5 | 188.6 | 31.0 | — | 1,410.5 |
| 1980 | 75.5 | 264.4 | 333.1 | 216.7 | 153.9 | 173.4 | 33.6 | — | 1,250.6 |
| 1981 | 98.6 | 229.5 | 243.4 | 172.2 | 124.2 | 157.3 | 68.3 | — | 1,092.5 |
| 1982 | 104.7 | 213.9 | 197.5 | 139.3 | 123.2 | 186.6 | 81.9 | — | 1,047.1 |
| 1983 | 162.3 | 284.4 | 239.3 | 112.5 | 124.1 | 311.5 | 165.7 | — | 1,399.8 |
| | | | | | No-Load | | | | |
| 1976 | 98.1 | 533.4 | 107.3 | 51.1 | 39.7 | 37.6 | 14.7 | — | 881.9 |
| 1977 | 147.6 | 589.9 | 159.4 | 110.4 | 66.2 | 92.9 | 449.1 | — | 1,615.5 |
| 1978 | 252.0 | 619.3 | 159.7 | 114.0 | 106.3 | 114.5 | 970.6 | 0.3 | 2,336.7 |
| 1979 | 416.5 | 725.8 | 236.9 | 132.2 | 148.5 | 93.4 | 1,191.8 | 4.9 | 2,950.0 |
| 1980 | 667.9 | 750.5 | 267.2 | 125.7 | 213.2 | 148.6 | 804.0 | 0.3 | 2,979.9 |
| 1981 | 643.5 | 703.0 | 250.5 | 102.5 | 181.4 | 103.8 | 570.1 | 7.8 | 2,562.6 |
| 1982 | 286.4R | 741.0R | 342.3 | 82.7 | 207.3R | 159.4R | 470.4 | 21.7 | 2,311.2R |
| 1983 | 1,037.8 | 1,481.3 | 838.3 | 108.4 | 649.9 | 372.8 | 1,298.2 | 15.0 | 5,801.7 |

R—Revised

## INVESTOR PURCHASES OF EQUITY, BOND, AND INCOME FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS BY METHOD OF DISTRIBUTION YEAR, 1983

(In Thousands of Dollars)

| | BROKER-DEALERS | DIRECT SELLERS | NO-LOAD | TOTAL |
|---|---|---|---|---|
| **New England** | $ 2,367,781 | $ 365,624 | $ 1,721,489 | $ 4,454,894 |
| Connecticut | 710,634 | 190,544 | 475,847 | 1,377,025 |
| Maine | 70,514 | 14,021 | 46,826 | 131,361 |
| Massachusetts | 1,375,087 | 117,829 | 1,025,431 | 2,518,347 |
| New Hampshire | 81,809 | 14,350 | 70,265 | 166,424 |
| Rhode Island | 78,121 | 17,564 | 58,411 | 154,096 |
| Vermont | 51,616 | 11,316 | 44,709 | 107,641 |
| **Middle Atlantic** | $ 4,181,354 | $ 502,974 | $ 3,133,482 | $ 7,817,810 |
| New Jersey | 574,891 | 92,153 | 639,598 | 1,306,642 |
| New York | 2,598,874 | 188,220 | 1,942,263 | 4,729,357 |
| Pennsylvania | 1,007,589 | 222,601 | 551,621 | 1,781,811 |
| **East North Central** | $ 2,870,870 | $ 681,497 | $ 2,563,655 | $ 6,116,022 |
| Illinois | 836,348 | 197,738 | 865,212 | 1,899,298 |
| Indiana | 230,246 | 60,457 | 216,895 | 507,598 |
| Michigan | 776,247 | 152,039 | 445,144 | 1,373,430 |
| Ohio | 649,143 | 212,694 | 798,615 | 1,660,452 |
| Wisconsin | 378,886 | 58,569 | 237,789 | 675,244 |
| **West North Central** | $ 1,429,993 | $ 602,753 | $ 918,205 | $ 2,950,951 |
| Iowa | 241,465 | 80,830 | 108,230 | 430,525 |
| Kansas | 160,545 | 97,657 | 130,423 | 388,625 |
| Minnesota | 311,675 | 199,597 | 286,197 | 797,469 |
| Missouri | 518,943 | 116,252 | 284,886 | 920,081 |
| Nebraska | 140,888 | 66,447 | 72,876 | 280,211 |
| North Dakota | 22,040 | 10,940 | 16,387 | 49,367 |
| South Dakota | 34,437 | 31,030 | 19,206 | 84,673 |
| **South Atlantic** | $ 3,466,382 | $ 325,291 | $ 2,438,442 | $ 6,230,115 |
| Delaware | 69,756 | 5,397 | 93,846 | 168,999 |
| District of Columbia | 170,025 | 3,063 | 160,356 | 333,444 |
| Florida | 1,745,867 | 140,863 | 672,659 | 2,559,389 |
| Georgia | 354,088 | 38,288 | 216,847 | 609,223 |
| Maryland | 318,732 | 27,381 | 622,898 | 969,011 |
| North Carolina | 311,975 | 28,478 | 178,372 | 518,825 |
| South Carolina | 115,533 | 12,210 | 98,770 | 226,513 |
| Virginia | 313,526 | 55,164 | 366,692 | 735,402 |
| West Virginia | 66,880 | 14,427 | 28,002 | 109,309 |

## INVESTOR PURCHASES OF EQUITY, BOND, AND INCOME FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

### BY METHOD OF DISTRIBUTION

### YEAR, 1983

(In Thousands of Dollars)

| | BROKER-DEALERS | DIRECT SELLERS | NO-LOAD | TOTAL |
|---|---|---|---|---|
| East South Central | $ 606,070 | $ 95,407 | $ 294,376 | $ 995,853 |
| Alabama | 169,436 | 21,757 | 65,595 | 256,788 |
| Kentucky | 125,118 | 16,505 | 88,975 | 230,598 |
| Mississippi | 85,086 | 12,459 | 37,620 | 135,165 |
| Tennessee | 226,430 | 44,686 | 102,186 | 373,302 |
| West South Central | $ 1,442,838 | $ 179,054 | $ 1,144,559 | $ 2,766,451 |
| Arkansas | 85,804 | 14,796 | 79,793 | 180,393 |
| Louisiana | 187,410 | 13,071 | 98,422 | 298,903 |
| Oklahoma | 88,122 | 24,950 | 75,405 | 188,477 |
| Texas | 1,081,502 | 126,237 | 890,939 | 2,098,678 |
| Mountain | $ 1,166,329 | $ 188,408 | $ 476,983 | $ 1,831,720 |
| Arizona | 316,921 | 44,792 | 146,734 | 508,447 |
| Colorado | 470,562 | 52,051 | 160,967 | 683,580 |
| Idaho | 73,513 | 22,560 | 21,652 | 117,725 |
| Montana | 60,827 | 26,624 | 19,009 | 106,460 |
| Nevada | 40,336 | 5,897 | 36,209 | 82,442 |
| New Mexico | 58,209 | 16,681 | 46,186 | 121,076 |
| Utah | 113,435 | 11,183 | 31,115 | 155,733 |
| Wyoming | 32,526 | 8,620 | 15,111 | 56,257 |
| Pacific | $ 3,632,456 | $ 402,396 | $ 2,071,805 | $ 6,106,657 |
| Alaska | 49,117 | 2,161 | 18,315 | 69,593 |
| California | 2,701,337 | 251,136 | 1,455,287 | 4,407,760 |
| Hawaii | 58,058 | 9,735 | 42,427 | 110,220 |
| Oregon | 197,163 | 58,631 | 182,916 | 438,710 |
| Washington | 626,781 | 80,733 | 372,860 | 1,080,374 |
| U.S. Territories & Possessions | $ 18,129 | $ 3,222 | $ 6,997 | $ 28,348 |
| Canada | $ 4,019 | $ 5,341 | $ 5,921 | $ 15,281 |
| Other Countries | $ 410,563 | $ 2,084 | $ 145,304 | $ 557,951 |
| TOTALS | $21,596,784 | $3,354,051 | $14,921,218 | $39,872,053 |

## INVESTOR PURCHASES OF EQUITY, BOND, AND INCOME FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

### BY METHOD OF DISTRIBUTION

### YEAR, 1983

(Percentage of Total)

| | BROKER-DEALERS | DIRECT SELLERS | NO-LOAD | TOTAL |
|---|---|---|---|---|
| **New England** | **10.96%** | **10.90%** | **11.54%** | **11.17%** |
| Connecticut | 3.29 | 5.68 | 3.19 | 3.45 |
| Maine | 0.33 | 0.42 | 0.32 | 0.33 |
| Massachusetts | 6.36 | 3.51 | 6.87 | 6.32 |
| New Hampshire | 0.38 | 0.43 | 0.47 | 0.42 |
| Rhode Island | 0.36 | 0.52 | 0.39 | 0.38 |
| Vermont | 0.24 | 0.34 | 0.30 | 0.27 |
| **Middle Atlantic** | **19.36%** | **15.00%** | **21.00%** | **19.61%** |
| New Jersey | 2.66 | 2.75 | 4.29 | 3.28 |
| New York | 12.03 | 5.61 | 13.01 | 11.86 |
| Pennsylvania | 4.67 | 6.64 | 3.70 | 4.47 |
| **East North Central** | **13.29%** | **20.32%** | **17.18%** | **15.34%** |
| Illinois | 3.87 | 5.90 | 5.80 | 4.76 |
| Indiana | 1.07 | 1.80 | 1.45 | 1.27 |
| Michigan | 3.59 | 4.53 | 2.98 | 3.44 |
| Ohio | 3.01 | 6.34 | 5.35 | 4.17 |
| Wisconsin | 1.75 | 1.75 | 1.60 | 1.70 |
| **West North Central** | **6.62%** | **17.97%** | **6.15%** | **7.40%** |
| Iowa | 1.12 | 2.41 | 0.72 | 1.08 |
| Kansas | 0.74 | 2.91 | 0.87 | 0.98 |
| Minnesota | 1.44 | 5.95 | 1.92 | 2.00 |
| Missouri | 2.40 | 3.47 | 1.91 | 2.31 |
| Nebraska | 0.66 | 1.98 | 0.49 | 0.70 |
| North Dakota | 0.10 | 0.33 | 0.11 | 0.12 |
| South Dakota | 0.16 | 0.92 | 0.13 | 0.21 |
| **South Atlantic** | **16.05%** | **9.70%** | **16.34%** | **15.63%** |
| Delaware | 0.32 | 0.16 | 0.63 | 0.43 |
| District of Columbia | 0.79 | 0.09 | 1.07 | 0.84 |
| Florida | 8.08 | 4.20 | 4.51 | 6.42 |
| Georgia | 1.64 | 1.14 | 1.45 | 1.53 |
| Maryland | 1.48 | 0.82 | 4.17 | 2.43 |
| North Carolina | 1.44 | 0.85 | 1.20 | 1.30 |
| South Carolina | 0.54 | 0.36 | 0.66 | 0.57 |
| Virginia | 1.45 | 1.65 | 2.46 | 1.84 |
| West Virginia | 0.31 | 0.43 | 0.19 | 0.27 |

## INVESTOR PURCHASES OF EQUITY, BOND, AND INCOME FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR, 1983

(Percentage of Total)

| | BROKER-DEALERS | DIRECT SELLERS | NO-LOAD | TOTAL |
|---|---|---|---|---|
| East South Central | 2.81% | 2.84% | 1.97% | 2.50% |
| Alabama | 0.79 | 0.65 | 0.44 | 0.64 |
| Kentucky | 0.58 | 0.49 | 0.59 | 0.58 |
| Mississippi | 0.39 | 0.37 | 0.25 | 0.34 |
| Tennessee | 1.05 | 1.33 | 0.69 | 0.94 |
| West South Central | 6.68% | 5.34% | 7.67% | 6.94% |
| Arkansas | 0.40 | 0.44 | 0.53 | 0.45 |
| Louisiana | 0.87 | 0.39 | 0.66 | 0.75 |
| Oklahoma | 0.41 | 0.75 | 0.51 | 0.47 |
| Texas | 5.00 | 3.76 | 5.97 | 5.27 |
| Mountain | 5.40% | 5.62% | 3.20% | 4.59% |
| Arizona | 1.47 | 1.34 | 0.98 | 1.28 |
| Colorado | 2.16 | 1.55 | 1.08 | 1.71 |
| Idaho | 0.34 | 0.67 | 0.15 | 0.29 |
| Montana | 0.28 | 0.79 | 0.13 | 0.27 |
| Nevada | 0.19 | 0.18 | 0.24 | 0.21 |
| New Mexico | 0.27 | 0.50 | 0.31 | 0.30 |
| Utah | 0.52 | 0.33 | 0.21 | 0.39 |
| Wyoming | 0.15 | 0.26 | 0.10 | 0.14 |
| Pacific | 16.82% | 12.00% | 13.88% | 15.32% |
| Alaska | 0.23 | 0.06 | 0.12 | 0.18 |
| California | 12.51 | 7.49 | 9.75 | 11.05 |
| Hawaii | 0.27 | 0.29 | 0.28 | 0.28 |
| Oregon | 0.91 | 1.75 | 1.23 | 1.10 |
| Washington | 2.90 | 2.41 | 2.50 | 2.71 |
| U.S. Territories & Possessions | 0.09% | 0.09% | 0.05% | 0.07% |
| Canada | 0.02% | 0.16% | 0.04% | 0.03% |
| Other Countries | 1.90% | 0.06% | 0.98% | 1.40% |
| TOTAL* | 100.0% | 100.0% | 100.0% | 100.0% |

## TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF PORTFOLIO SECURITIES BY MUTUAL FUNDS
### Annually, 1963–1983
(In Millions of Dollars)

| Year | Total Purchases | Total Sales | Net Purchases |
|---|---|---|---|
| 1963 | $ 4,362.5 | $ 3,602.7 | $ 759.9 |
| 1964 | 5,339.7 | 4,257.2 | 1,082.5 |
| 1965 | 7,571.0 | 6,001.8 | 1,569.2 |
| 1966 | 11,519.5 | 10,166.8 | 1,352.8 |
| 1967 | 16,317.8 | 14,821.4 | 1,496.4 |
| 1968 | 22,012.5 | 20,104.5 | 1,908.0 |
| 1969 | 24,914.9 | 22,255.5 | 2,659.4 |
| 1970 | 20,405.0 | 18,588.5 | 1,816.5 |
| 1971 | 25,360.2 | 24,793.8 | 566.4 |
| 1972 | 24,467.6 | 25,823.6 | (1,356.1) |
| 1973 | 19,706.6 | 21,902.0 | (2,196.4) |
| 1974 | 12,299.7 | 12,213.5 | 86.2 |
| 1975 | 15,396.9 | 15,511.4 | (114.5) |
| 1976 | 15,348.2 | 16,881.2 | (1,533.0) |
| 1977 | 18,168.0 | 19,420.7 | (1,252.7) |
| 1978 | 20,945.6 | 23,069.7 | (2,124.1) |
| 1979 | 22,412.1 | 23,702.5 | (1,290.4) |
| 1980 | 32,987.2 | 32,080.6 | 906.6 |
| 1981 | 36,161.7 | 33,709.2 | 2,452.5 |
| 1982 | 55,682.0 | 47,920.7 | 7,761.3 |
| 1983 | 93,009.5 | 71,466.5 | 21,543.0 |

NOTE: Parentheses indicate net sales.

## TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF COMMON STOCKS BY MUTUAL FUNDS
### Annually, 1963–1983
(In Millions of Dollars)

| Year | Total Purchases | Total Sales | Net Purchases |
|---|---|---|---|
| 1963 | $ 4,010.1 | $ 3,232.4 | $ 777.7 |
| 1964 | 4,768.1 | 3,884.5 | 883.7 |
| 1965 | 6,530.1 | 5,166.2 | 1,363.9 |
| 1966 | 10,363.5 | 9,319.9 | 1,043.6 |
| 1967 | 14,926.0 | 13,325.5 | 1,600.5 |
| 1968 | 20,101.9 | 18,495.5 | 1,606.4 |
| 1969 | 22,059.4 | 19,852.5 | 2,206.9 |
| 1970 | 17,127.6 | 15,900.8 | 1,266.9 |
| 1971 | 21,557.7 | 21,175.1 | 382.5 |
| 1972 | 20,943.5 | 22,552.8 | (1,609.4) |
| 1973 | 15,560.7 | 17,504.4 | (1,943.7) |
| 1974 | 9,085.3 | 9,372.1 | (286.8) |
| 1975 | 10,948.7 | 11,902.3 | (953.6) |
| 1976 | 10,729.1 | 13,278.3 | (2,549.2) |
| 1977 | 8,704.7 | 12,211.3 | (3,506.6) |
| 1978 | 12,832.9 | 14,454.7 | (1,621.8) |
| 1979 | 13,089.0 | 15,923.0 | (2,834.0) |
| 1980 | 19,893.8 | 21,799.9 | (1,906.1) |
| 1981 | 20,859.4 | 21,278.3 | (418.6) |
| 1982 | 27,397.2 | 24,939.6 | 2,457.6 |
| 1983 | 54,581.7 | 40,813.9 | 13,767.8 |

NOTE: Parentheses indicate net sales.

## TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF SECURITIES OTHER THAN COMMON STOCKS BY MUTUAL FUNDS

### Annually, 1963–1983

(In Millions of Dollars)

| Year | Total Purchases | Total Sales | Net Purchases |
|---|---|---|---|
| 1963 | $ 352.4 | $ 370.3 | $ (17.9) |
| 1964 | 571.6 | 372.8 | 198.8 |
| 1965 | 1,040.9 | 835.7 | 205.3 |
| 1966 | 1,156.1 | 846.9 | 309.2 |
| 1967 | 1,391.8 | 1,495.9 | (104.1) |
| 1968 | 1,910.6 | 1,609.0 | 301.6 |
| 1969 | 2,855.5 | 2,403.0 | 452.5 |
| 1970 | 3,277.4 | 2,687.7 | 589.7 |
| 1971 | 3,802.5 | 3,618.6 | 183.9 |
| 1972 | 3,524.1 | 3,270.9 | 253.3 |
| 1973 | 4,145.9 | 4,398.7 | (252.8) |
| 1974 | 3,214.4 | 2,841.4 | 373.0 |
| 1975 | 4,448.2 | 3,609.1 | 839.1 |
| 1976 | 4,619.1 | 3,602.9 | 1,016.2 |
| 1977 | 9,463.3 | 7,209.4 | 2,253.9 |
| 1978 | 8,112.7 | 8,615.0 | (502.3) |
| 1979 | 9,323.1 | 7,779.5 | 1,543.6 |
| 1980 | 13,093.4 | 10,280.7 | 2,812.7 |
| 1981 | 15,302.0 | 12,430.9 | 2,871.1 |
| 1982 | 28,284.8 | 22,981.1 | 5,303.7 |
| 1983 | 38,427.7 | 30,652.6 | 7,775.1 |

NOTE: Parentheses indicate net sales.

## PORTFOLIO PURCHASES AND SALES BY FUND CHARACTERISTICS

(In Millions of Dollars)

| | 1980 | | 1981 | | 1982 | | 1983 | |
|---|---|---|---|---|---|---|---|---|
| | Purchases | Sales | Purchases | Sales | Purchases | Sales | Purchases | Sales |
| **ALL SECURITIES** | **$32,987.2** | **$32,080.6** | **$36,161.7** | **$33,709.2** | **$55,682.0** | **$47,920.7** | **$93,009.5** | **$71,466.5** |
| **Method of Distribution:** | | | | | | | | |
| Broker Dealer | 17,043.6 | 16,928.3 | 19,167.9 | 18,184.9 | 27,443.7 | 23,843.3 | 48,378.7 | 35,684.8 |
| Direct Selling | 5,606.0 | 6,141.4 | 5,217.6 | 5,116.9 | 10,688.3 | 9,506.0 | 12,350.4 | 11,008.6 |
| No Load | 10,101.3 | 8,774.5 | 11,367.5 | 10,127.9 | 14,470.0 | 14,483.8 | 32,152.9 | 24,638.8 |
| Other* | 236.3 | 236.4 | 408.7 | 279.5 | 80.0 | 87.6 | 127.5 | 134.3 |
| **Investment Objective:** | | | | | | | | |
| Aggressive Objective | 3,578.3 | 3,151.4 | 4,818.9 | 3,966.1 | 8,073.7 | 6,688.9 | 16,851.5 | 11,052.4 |
| Growth | 8,373.3 | 8,764.1 | 8,791.3 | 8,770.5 | 11,193.0 | 10,252.6 | 19,303.3 | 15,160.2 |
| Growth & Income | 7,084.8 | 8,024.7 | 7,370.5 | 7,301.0 | 10,768.7 | 10,498.3 | 16,659.3 | 14,313.6 |
| Balanced | 1,637.0 | 2,089.9 | 1,759.9 | 1,997.2 | 2,638.4 | 2,708.7 | 2,440.4 | 2,502.6 |
| Income | 2,941.8 | 2,826.5 | 3,357.1 | 3,319.7 | 4,600.1 | 4,262.1 | 8,011.4 | 6,324.7 |
| Bond | 5,971.2 | 4,590.2 | 5,790.1 | 4,898.9 | 10,908.8 | 8,868.2 | 13,421.0 | 12,039.3 |
| Municipal Bond | 2,729.8 | 1,987.7 | 3,779.5 | 2,992.2 | 6,597.6 | 4,100.7 | 13,332.7 | 8,178.7 |
| Option Income | 671.0 | 646.1 | 494.4 | 463.6 | 901.7 | 541.2 | 2,989.9 | 1,895.0 |
| **COMMON STOCK ONLY** | **$19,893.8** | **$21,799.9** | **$20,859.7** | **$21,278.3** | **$27,397.3** | **$24,939.6** | **$54,581.7** | **$40,813.9** |
| **Method of Distribution:** | | | | | | | | |
| Broker Dealer | 10,300.2 | 11,321.8 | 10,961.2 | 11,206.6 | 14,301.1 | 12,685.8 | 29,420.1 | 20,784.3 |
| Direct Selling | 3,280.3 | 4,590.7 | 2,935.4 | 3,592.2 | 4,395.0 | 4,619.2 | 6,925.1 | 6,262.2 |
| No Load | 6,082.0 | 5,652.1 | 6,586.6 | 6,232.6 | 8,633.3 | 7,547.3 | 18,129.2 | 13,640.7 |
| Other* | 231.3 | 235.3 | 376.5 | 246.9 | 67.9 | 87.3 | 107.3 | 126.7 |
| **Investment Objective:** | | | | | | | | |
| Aggressive Growth | 3,388.6 | 2,950.2 | 4,216.1 | 3,513.6 | 6,281.1 | 4,956.2 | 15,432.4 | 9,499.0 |
| Growth | 7,995.5 | 8,511.1 | 8,231.8 | 8,384.4 | 9,876.8 | 8,953.5 | 18,456.4 | 14,372.9 |
| Growth & Income | 5,834.8 | 6,954.9 | 6,227.9 | 6,468.6 | 8,171.3 | 8,253.8 | 14,772.6 | 12,316.3 |
| Balanced | 847.5 | 1,353.2 | 731.4 | 1,105.5 | 758.9 | 947.3 | 1,397.2 | 1,137.8 |
| Income | 1,097.7 | 1,328.6 | 860.2 | 1,210.7 | 1,267.4 | 1,186.9 | 1,417.3 | 1,509.2 |
| Bond | 85.3 | 127.7 | 107.0 | 146.6 | 150.7 | 108.6 | 116.9 | 105.2 |
| Municipal Bond | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Option Income | 644.4 | 574.2 | 485.3 | 448.8 | 891.1 | 533.3 | 2,988.9 | 1,873.5 |

*Exchange funds and others not currently offering shares.

## SALES DUE TO EXCHANGES BY INVESTMENT OBJECTIVE

**Annually, 1981–1983**

(In Millions of Dollars)

| Investment Objective | 1981 | 1982 | 1983 |
|---|---|---|---|
| Aggressive Growth | $ 1,277.6 | $ 1,775.1 | $ 3,954.3 |
| Growth | 1,480.6 | 1,552.6 | 2,968.8 |
| Growth & Income | 2,281.9 | 4,934.5 | 5,157.5 |
| Balanced | 2.8 | 7.3 | 15.7 |
| Income | 181.5 | 347.3 | 439.7 |
| Bond | 502.3 | 875.9 | 1,113.4 |
| Municipal Bond | 758.5 | 1,582.4 | 2,714.2 |
| Option Income | 4.0 | 19.1 | 32.4 |
| Limited Maturity Municipal Bond | 296.3 | 1,044.0 | 1,453.5 |
| Money Market | 7,653.7 | 16,110.2 | 17,829.2 |

## REDEMPTIONS DUE TO EXCHANGES BY INVESTMENT OBJECTIVE

**Annually, 1981–1983**

(In Millions of Dollars)

| Investment Objective | 1981 | 1982 | 1983 |
|---|---|---|---|
| Aggressive Growth | $ 1,307.0 | $ 1,604.2 | $ 3,622.1 |
| Growth | 1,893.4 | 1,621.3 | 2,964.9 |
| Growth & Income | 2,808.8 | 5,312.0 | 5,824.9 |
| Balanced | 117.0 | 67.7 | 69.6 |
| Income | 316.9 | 339.5 | 516.8 |
| Bond | 501.7 | 663.5 | 1,467.1 |
| Municipal Bond | 809.6 | 1,067.1 | 2,674.5 |
| Option Income | 11.7 | 13.0 | 22.1 |
| Limited Maturity Municipal Bond | 260.7 | 554.6 | 1,289.0 |
| Money Market | 6,563.2 | 16,612.6 | 17,575.2 |

## NET SALES DUE TO EXCHANGES BY INVESTMENT OBJECTIVE

**Annually, 1981–1983**

(In Millions of Dollars)

| Investment Objective | 1981 | 1982 | 1983 |
|---|---|---|---|
| Aggressive Growth | $ (29.4) | $ 170.9 | $ 332.2 |
| Growth | (412.8) | (68.7) | 3.9 |
| Growth & Income | (526.9) | (377.5) | (667.4) |
| Balanced | (114.2) | (60.4) | (53.9) |
| Income | (134.4) | 7.8 | (77.1) |
| Bond | 0.6 | 212.4 | (353.7) |
| Municipal Bond | (51.1) | 515.3 | 39.7 |
| Option Income | (7.7) | 6.1 | 10.3 |
| Limited Maturity Municipal Bond | 35.6 | 489.4 | 164.5 |
| Money Market | 1,090.4 | (502.4) | 254.0 |

## LIMITED MATURITY MUNICIPAL BOND FUNDS

(In Millions of Dollars)

| Year End | Total Sales | Total Redemptions | Net Sales | Number of Funds | Total Accounts Outstanding | Total Net Asset |
|---|---|---|---|---|---|---|
| 1980 | $ 5,254.9 | $ 3,809.2 | $ 1,445.7 | 10 | 16,531 | $ 1,913.6 |
| 1981 | 10,533.1 | 8,270.6 | 2,262.5 | 20 | 41,371 | 4,247.8 |
| 1982 | 29,444.0 | 21,197.3 | 8,246.7 | 37 | 156,796 | 13,230.0 |
| 1983 | 44,468.3 | 42,421.4 | 2,046.9 | 66 | 263,049 | 16,837.0 |

## MONEY MARKET FUNDS*

(In Millions of Dollars)

| Year End | Sales | Redemptions | Net Sales | Total Number Of Funds | Accounts Outstanding | Average Maturity (Days) | Total Net Assets |
|---|---|---|---|---|---|---|---|
| 1974 | $ 2,232.0 | $ 556.0 | $ 1,676.0 | 15 | n.a. | n.a. | $ 1,715.1 |
| 1975 | 6,748.7 | 5,883.9 | 864.0 | 36 | 208,777 | 93 | 3,695.7 |
| 1976 | 9,360.9 | 9,609.2 | (248.3) | 48 | 180,676 | 110 | 3,685.8 |
| 1977 | 10,673.0 | 10,662.7 | 10.3 | 50 | 177,522 | 76 | 3,887.7 |
| 1978 | 30,452.2 | 24,294.5 | 6,157.8 | 61 | 467,803 | 42 | 10,858.0 |
| 1979 | 111,855.1 | 78,363.4 | 33,491.7 | 76 | 2,307,852 | 34 | 45,214.2 |
| 1980 | 232,172.8 | 204,068.5 | 28,104.5 | 96 | 4,745,572 | 24 | 74,447.7 |
| 1981 | 451,889.5 | 346,701.5 | 105,188.0 | 159 | 10,282,095 | 34 | 181,910.4 |
| 1982 | 581,758.9R | 559,581.1R | 22,177.8R | 281 | 13,101,347 | 37 | 206,607.5 |
| 1983 | 462,978.7 | 508,729.9 | (45,751.2) | 307 | 12,276,639 | 37 | 162,549.5 |

*A small percentage of funds report assets and liquid assets but not sales and redemptions. In the interest of comparability, these lat ter two sets of figures have been adjusted upward.

R—Revised

## MONEY MARKET FUND ASSETS

(In Thousands of Dollars)

| | Total | General Purpose | Broker/ Dealer | Institutional |
|---|---|---|---|---|
| **1978** | | | | |
| January | $ 4,586,259 | $ 2,339,359 | $ 969,029 | $ 1,277,871 |
| February | 4,978,025 | 2,438,293 | 1,067,028 | 1,472,704 |
| March | 5,619,872 | 2,594,983 | 1,232,028 | 1,792,861 |
| April | 5,987,509 | 2,613,433 | 1,320,815 | 2,053,261 |
| May | 6,590,660 | 2,764,661 | 1,530,220 | 2,295,779 |
| June | 6,959,072 | 2,872,495 | 1,663,228 | 2,423,349 |
| July | 7,486,994 | 2,993,979 | 1,887,892 | 2,605,123 |
| August | 8,143,735 | 3,058,392 | 2,224,463 | 2,860,880 |
| September | 8,559,796 | 3,177,708 | 2,473,936 | 2,908,252 |
| October | 9,163,418 | 3,485,619 | 2,781,225 | 2,896,574 |
| November | 9,668,296 | 3,686,103 | 3,049,793 | 2,932,400 |
| December | 10,857,954 | 3,872,384 | 3,657,805 | 3,327,765 |
| **1979** | | | | |
| January | $13,355,818 | $ 4,420,914 | $ 5,041,290 | $ 3,893,614 |
| February | 15,606,818 | 5,062,178 | 6,140,038 | 4,404,602 |
| March | 18,020,831 | 5,594,691 | 7,218,458 | 5,207,682 |
| April | 20,296,184 | 6,228,085 | 8,259,530 | 5,808,569 |
| May | 23,245,530 | 7,039,847 | 9,718,149 | 6,487,534 |
| June | 25,914,987 | 7,492,280 | 11,257,315 | 7,165,392 |
| July | 30,010,980 | 8,394,955 | 13,522,395 | 8,093,630 |
| August | 32,467,294 | 9,157,937 | 15,178,647 | 8,130,710 |
| September | 34,899,902 | 9,943,508 | 16,810,027 | 8,146,367 |
| October | 38,817,889 | 11,178,834 | 19,221,444 | 8,417,611 |
| November | 41,982,874 | 11,788,838 | 21,233,470 | 8,960,566 |
| December | 45,214,166 | 12,651,473 | 22,894,112 | 9,668,581 |
| **1980** | | | | |
| January | $53,053,721 | $14,165,119 | $27,961,559 | $10,927,043 |
| February | 60,303,669 | 16,107,424 | 32,323,309 | 11,872,936 |
| March | 60,535,658 | 16,892,721 | 32,192,209 | 11,450,728 |
| April | 60,726,649 | 17,219,057 | 31,540,546 | 11,967,046 |
| May | 70,013,646 | 19,586,491 | 35,178,910 | 15,248,245 |
| June | 76,168,424 | 21,036,493 | 37,187,010 | 17,944,921 |
| July | 80,624,317 | 22,071,688 | 38,966,370 | 19,586,259 |
| August | 79,309,035 | 21,732,989 | 39,769,532 | 17,806,514 |
| September | 77,431,775 | 21,493,791 | 39,728,775 | 16,209,209 |
| October | 77,467,785 | 21,782,900 | 40,654,957 | 15,029,928 |
| November | 76,458,979 | 21,605,381 | 40,530,501 | 14,323,097 |
| December | 74,447,699 | 21,717,614 | 38,987,976 | 13,742,109 |

## MONEY MARKET FUND ASSETS

(In Thousands of Dollars)

| | Total | General Purpose | Broker/ Dealer | Institutional |
|---|---|---|---|---|
| **1981** | | | | |
| January | $ 84,974,126 | $24,313,853 | $ 44,891,267 | $15,769,006 |
| February | 96,699,487 | 27,434,889 | 50,966,137 | 18,298,461 |
| March | 111,544,415 | 30,927,719 | 59,279,296 | 21,337,400 |
| April | 118,392,046 | 33,892,442 | 63,597,405 | 20,902,199 |
| May | 117,913,527 | 35,260,726 | 63,325,273 | 19,327,528 |
| June | 126,507,991 | 37,980,311 | 67,744,358 | 20,783,322 |
| July | 139,389,131 | 42,592,977 | 74,234,489 | 22,561,665 |
| August | 149,429,287 | 46,410,808 | 78,826,824 | 24,191,655 |
| September | 160,839,979 | 49,650,309 | 83,400,928 | 27,788,742 |
| October | 169,576,477 | 52,036,516 | 87,485,670 | 30,054,291 |
| November | 181,636,314 | 54,240,432 | 93,690,962 | 33,704,920 |
| December | 181,910,360 | 55,782,229 | 93,697,125 | 32,431,006 |
| **1982** | | | | |
| January | $187,202,446 | $57,831,046 | $ 97,646,161 | $31,725,239 |
| February | 186,307,172 | 58,984,576 | 96,058,193 | 31,264,403 |
| March | 191,470,704 | 60,654,962 | 99,568,439 | 31,247,303 |
| April | 192,225,693 | 60,980,342 | 99,498,533 | 31,746,818 |
| May | 200,668,391 | 63,969,464 | 102,460,571 | 34,238,356 |
| June | 201,847,450 | 66,207,434 | 102,944,300 | 32,695,716 |
| July | 213,365,037 | 68,715,445 | 105,933,133 | 38,716,459 |
| August | 227,282,218 | 71,502,826 | 111,829,622 | 43,949,770 |
| September | 223,620,494 | 71,303,333 | 110,307,319 | 42,009,842 |
| October | 230,007,484 | 72,309,056 | 113,230,006 | 44,468,422 |
| November | 232,145,911 | 73,503,841 | 113,766,385 | 44,875,685 |
| December | 206,607,524 | 67,130,705 | 100,019,373 | 39,457,446 |
| **1983** | | | | |
| January | $197,620,147 | $62,573,072 | $ 95,135,607 | $39,911,468 |
| February | 189,419,364 | 59,514,944 | 91,290,500 | 38,613,920 |
| March | 180,310,630 | 57,231,859 | 87,414,036 | 35,664,735 |
| April | 171,501,807 | 53,982,147 | 82,631,115 | 34,888,545 |
| May | 169,650,900 | 53,194,568 | 81,727,890 | 34,728,422 |
| June | 164,630,550 | 52,308,708 | 79,373,424 | 32,948,418 |
| July | 164,406,920 | 52,532,383 | 78,929,583 | 32,944,954 |
| August | 164,663,713 | 53,161,938 | 78,364,219 | 33,137,556 |
| September | 163,005,997 | 51,903,516 | 77,520,264 | 33,582,217 |
| October | 165,528,857 | 52,704,642 | 77,809,728 | 35,014,487 |
| November | 165,500,917 | 52,788,150 | 77,391,834 | 35,325,933 |
| December | 162,549,514 | 53,023,186 | 75,265,142 | 34,261,186 |

## MONEY MARKET FUND ASSETS
## SHAREHOLDER ACCOUNTS BY TYPE OF FUND

| | General Purpose | Broker/ Dealer | Institutional | Total |
|---|---|---|---|---|
| **1981** | | | | |
| January | 2,027,794 | 2,958,024 | 192,973 | 5,178,791 |
| February | 2,176,484 | 3,180,516 | 200,061 | 5,557,061 |
| March | 2,473,338 | 3,363,346 | 205,371 | 6,042,055 |
| April | 2,765,014 | 3,712,758 | 210,700 | 6,688,472 |
| May | 2,953,350 | 3,934,718 | 210,085 | 7,098,153 |
| June | 3,198,632 | 4,209,338 | 211,607 | 7,619,577 |
| July | 3,521,362 | 4,649,579 | 218,935 | 8,389,876 |
| August | 3,797,056 | 4,712,864 | 221,468 | 8,731,388 |
| September | 4,051,857 | 4,997,783 | 228,887 | 9,278,527 |
| October | 4,250,610 | 5,227,316 | 231,484 | 9,709,410 |
| November | 4,327,653 | 5,431,057 | 240,572 | 9,999,282 |
| December | 4,507,875 | 5,527,635 | 246,585 | 10,282,095 |
| **1982** | | | | |
| January | 4,652,057 | 5,766,007 | 254,459 | 10,672,523 |
| February | 4,845,944 | 5,892,148 | 256,584 | 10,994,676 |
| March | 5,021,280 | 5,963,158 | 263,915 | 11,248,353 |
| April | 5,186,793 | 6,087,227 | 262,833 | 11,536,853 |
| May | 5,315,595 | 6,372,108 | 265,394 | 11,953,097 |
| June | 5,492,488 | 6,506,277R | 240,245 | 12,239,010R |
| July | 5,564,298 | 6,658,739 | 238,705 | 12,461,742 |
| August | 5,720,386 | 6,903,310 | 237,530 | 12,861,226 |
| September | 5,783,350 | 6,905,146 | 239,207 | 12,927,703 |
| October | 5,830,207 | 7,139,428 | 239,665 | 13,209,300 |
| November | 5,867,058 | 7,203,273 | 238,029 | 13,308,360 |
| December | 5,834,845 | 7,034,965 | 228,537 | 13,098,347 |
| **1983** | | | | |
| January | 5,621,083 | 7,024,884 | 231,590 | 12,877,557 |
| February | 5,525,854 | 6,933,173 | 219,510 | 12,678,537 |
| March | 5,408,618 | 6,932,706 | 218,254 | 12,559,578 |
| April | 5,325,423 | 7,039,858 | 225,411 | 12,590,692 |
| May | 5,346,117 | 7,097,985 | 216,271 | 12,660,373 |
| June | 5,246,043 | 7,003,408 | 207,691 | 12,457,142 |
| July | 5,146,181 | 7,019,351 | 200,886 | 12,366,418 |
| August | 5,095,785 | 7,157,883 | 197,388 | 12,451,056 |
| September | 5,037,438 | 7,113,704 | 191,247 | 12,342,389 |
| October | 5,012,358 | 7,200,671 | 186,439 | 12,399,468 |
| November | 5,008,190 | 7,156,259 | 182,074 | 12,346,523 |
| December | 4,962,006 | 7,136,947 | 177,686 | 12,276,639 |

R—Revised

## MONEY MARKET FUNDS ASSET COMPOSITION
### Year-End, 1978–1983
(In Millions of Dollars)

| | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|
| Total Net Assets | $10,858.0 | $45,214.2 | $74,447.7 | $181,910.4 | $206,607.5 | $162,549.5 |
| U.S. Treasury Bills | 1,489.3A | 1,621.3 | 2,920.4 | 19,477.7 | 37,935.9 | 20,484.0 |
| Other Treasury Securities | .0 | 4,020.2A | 554.2 | 2,041.8 | 4,706.0 | 2,354.6 |
| Other U.S. Securities | .0 | .0 | 4,753.6 | 10,369.9 | 11,972.0 | 13,375.2 |
| Repurchase Agreements | .0 | .0 | 5,642.8 | 14,529.0 | 16,222.1 | 13,028.5 |
| Commercial Bank CDs(1) | 5,293.8B | 18,128.4B | 19,691.3 | 39,182.1 | 35,479.4 | 18,931.3 |
| Other Domestic CDs(2) | .0 | .0 | 1,330.1 | 4,683.3 | 5,310.9 | 5,107.4 |
| Eurodollar CD(3) | .0 | .0 | 6,769.3 | 18,846.0 | 23,758.8 | 21,911.1 |
| Commercial Paper | 2,842.0 | 14,453.3 | 25,026.1 | 56,775.6 | 50,327.1 | 46,752.6 |
| Bankers' Acceptances | 764.7 | 4,844.9 | 6,534.6 | 13,623.7 | 18,776.1 | 19,586.2 |
| Cash Reserves | 68.2 | 67.0 | 165.9 | (549.0) | 278.3 | (274.5) |
| Other | 400.0C | 2,079.1C | 1,059.4 | 2,930.3 | 1,840.9 | 1,293.1 |
| Average Maturity(4) | 42 | 34 | 24 | 34 | 37 | 37 |
| Number of Funds | 61 | 76 | 96 | 159 | 281 | 307 |

(1) Commercial bank CDs are those issued by American banks located in the U.S.
(2) Other Domestic CDs include those issued by S&Ls and American branches of foreign banks.
(3) Eurodollar CDs are those issued by foreign branches of domestic banks and some issued by Canadian banks; this category includes some one day paper.
(4) Maturity of each individual security in the portfolio at end of month weighted by its value.
A. Includes other U.S. securities.
B. Includes other domestic CDs and Eurodollar deposits.
C. Includes repurchase agreements.

## IRA ASSETS AND ACCOUNTS BY INVESTMENT OBJECTIVE YEAR-END 1983

| Investment Objective | Assets Thousands of Dollars | Assets Percent | Accounts Number | Accounts Percent |
|---|---|---|---|---|
| Aggressive Growth | $ 1,965,217 | 18.2% | 775,327 | 19.2% |
| Growth | 2,038,003 | 18.9 | 760,428 | 18.8 |
| Growth-&-Income | 1,397,488 | 13.0 | 433,818 | 10.7 |
| Balanced | 21,836 | 0.2 | 9,973 | 0.3 |
| Income | 451,272 | 4.2 | 127,153 | 3.1 |
| Corporate Bond | 1,288,309 | 12.0 | 354,035 | 8.7 |
| Long-Term Muni. Bond | 1,515 | 0.0 | 337 | 0.0 |
| Option/Income | 116,457 | 1.1 | 32,412 | 0.8 |
| Money Market | 3,484,055 | 32.4 | 1,556,199 | 38.4 |
| Total | $10,764,152 | 100.0% | 4,049,742 | 100.0% |

## KEOGH ASSETS AND ACCOUNTS BY INVESTMENT OBJECTIVE YEAR-END 1983

| Investment Objective | Assets Thousands of Dollars | Assets Percent | Accounts Number | Accounts Percent |
|---|---|---|---|---|
| Aggressive Growth | $ 839,849 | 13.9% | 64,061 | 11.3% |
| Growth | 1,546,389 | 25.7 | 94,473 | 16.7 |
| Growth-&-Income | 1,168,679 | 19.4 | 63,090 | 11.1 |
| Balanced | 39,993 | 0.7 | 2,265 | 0.4 |
| Income | 284,393 | 4.7 | 18,118 | 3.2 |
| Corporate Bond | 542,125 | 9.0 | 79,267 | 14.0 |
| Long-Term Muni. Bond | 1,772 | — | 98 | — |
| Option/Income | 22,218 | 0.4 | 2,265 | 0.4 |
| Short-Term Muni. Bond | 2,120 | — | 13 | — |
| Money Market | 1,580,058 | 26.2 | 242,695 | 42.9 |
| Total | $6,027,596 | 100.0% | 566,345 | 100.0% |

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF MUTUAL FUNDS EXCLUDING MONEY MARKET AND SHORT-TERM MUNICIPAL BOND FUNDS

| Year | Reporting Companies' Assets (In Millions) | Percent Assets of Total Members' Assets | Reported Institutional Accounts In Force | Reported Value of Holdings (In Millions) | Reported Institutional Holdings as a Percent of Total Net Assets |
|---|---|---|---|---|---|
| 1954 | $ 2,710.9 | 65.9% | 35,821 | $ 283.4 | 10.5% |
| 1956 | 5,909.8 | 70.3 | 61,494 | 549.8 | 9.3 |
| 1957 | 7,178.1 | 79.7 | 89,559 | 624.5 | 8.7 |
| 1958 | 7,478.1 | 63.4 | 111,394 | 793.1 | 10.6 |
| 1959 | 9,334.8 | 63.3 | 165,424 | 1,133.8 | 12.1 |
| 1960 | 9,891.6 | 63.3 | 219,661 | 1,171.0 | 11.8 |
| 1961 | 16,241.8 | 77.3 | 282,845 | 1,686.7 | 10.4 |
| 1962 | 14,342.1 | 75.1 | 299,046 | 1,539.3 | 10.7 |
| 1963 | 17,468.9 | 71.3 | 361,118 | 1,648.0 | 9.4 |
| 1964 | 23,233.6 | 79.9 | 427,893 | 2,603.3 | 11.2 |
| 1966 | 27,803.2 | 79.8 | 707,705 | 3,984.0 | 14.3 |
| 1968 | 39,435.1 | 74.9 | 878,900 | 5,859.4 | 14.9 |
| 1970 | 32,631.1 | 68.5 | 1,071,243 | 6,174.0 | 18.9 |
| 1972 | 44,696.4 | 74.7 | 1,119,243 | 8,906.9 | 19.9 |
| 1974 | 26,981.4 | 75.4 | 1,440,533 | 7,116.1 | 26.4 |
| 1976 | 39,342.2 | 77.3 | 1,346,490 | 10,719.7 | 27.2 |
| 1978 | 37,043.3 | 82.4 | 1,258,996 | 9,590.5 | 25.9 |
| 1980 | 45,763.2 | 78.4 | 1,023,101 | 12,855.9 | 28.1 |
| 1981 | 48,364.0 | 87.6 | 771,585R | 11,405.3R | 23.6R |
| 1982 | 66,579.2 | 86.7 | 953,483 | 16,232.7 | 24.4 |
| 1983 | 99,911.0 | 88.0 | 1,207,671 | 23,314.8 | 23.3 |

**NOTE:** Prior to 1981, Keogh and IRA figures are included in institutional holdings. Institutional holdings as a percent of assets of reporting companies is slightly understated prior to 1974 due to limited reporting of Keogh information. Reported institutional accounts and value of holdings for 1981 and 1982 were used to derive universe estimates shown in the following tables which present institutional data in greater detail. The 1981 figures were revised to exclude Keogh and IRA. In the 1980 figures, Keogh and IRA accounted for about 30 percent of institutional accounts and 23 percent of institutional assets.

R—Revised

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF EQUITY BOND AND INCOME FUNDS NUMBER OF ACCOUNTS, 1981–1983

| | 1981 | 1982 | 1983 |
|---|---|---|---|
| **Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)** | **693,039** | **728,682R** | **942,687** |
| Business Corporations | 36,215 | 40,858 | 64,328 |
| Employee Pension and Profit Sharing Funds | 147,110R | 158,230R | 315,920 |
| Insurance Companies and Other Financial Institutions | 16,821 | 16,876 | 13,194 |
| Unions | 664 | 1,326 | 934 |
| **Total Business Organizations** | **200,810** | **217,290R** | **394,376** |
| Churches and Religious Organizations | 8,170 | 10,827 | 10,275 |
| Fraternal, Welfare, and Other Public Associations | 5,321 | 7,462 | 8,432 |
| Hospitals, Sanitariums, Orphanages, Etc. | 1,769 | 2,333 | 2,503 |
| Schools and Colleges | 3,978 | 4,148 | 4,822 |
| Foundations | 1,015 | 1,005 | 1,135 |
| **Total Institutions and Foundations** | **20,253** | **25,775** | **27,167** |
| **Other Institutional Investors Not Classified (a)** | **17,886** | **47,604** | **59,092** |
| **Total** | **931,988** | **1,019,351R** | **1,423,322** |

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Reporters of institutional data represented 83.4% of total shareholder accounts in 1981, 83.9% in 1982 and 83.7% in 1983. The figures shown above are universe estimated based on those reports.

R—Revised

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF EQUITY BOND AND INCOME FUNDS VALUE OF HOLDINGS, 1981–1983

(In Millions of Dollars)

| | 1981 | 1982 | 1983 |
|---|---|---|---|
| **Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)** | $ 6,043.1 | $ 7,849.2R | $10,374.7 |
| Business Corporations | 1,249.1 | 2,111.0 | 3,722.9 |
| Employee Pension and Profit Sharing Funds | 3,408.1R | 4,245.4R | 6,978.7 |
| Insurance Companies and Other Financial Institutions | 937.2 | 1,223.6 | 1,347.5 |
| Unions | 43.1 | 27.7 | 18.8 |
| **Total Business Organizations** | $ 5,637.5 | $ 7,607.7R | $12,068.0 |
| Churches and Religious Organizations | 150.0 | 228.4 | 320.2 |
| Fraternal, Welfare, and Other Public Associations | 334.8 | 293.8 | 336.2 |
| Hospitals, Sanitariums, Orphanages, Etc. | 95.8 | 98.8 | 111.9 |
| Schools and Colleges | 170.6 | 201.9 | 247.6 |
| Foundations | 55.6 | 86.7 | 74.3 |
| **Total Institutions and Foundations** | $ 807.8 | $ 909.6 | $ 1,090.2 |
| **Other Institutional Investors Not Classified (a)** | $ 592.9 | $ 1,426.1 | $ 2,453.6 |
| **Total** | $13,081.3 | $17,792.6R | $25,986.5 |

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

**NOTE:** Reporters of institutional data represented 87.6% of total net assets in 1981, 86.6% in 1982, and 88.0% in 1983.

R—Revised

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF MONEY MARKET FUNDS NUMBER OF ACCOUNTS, 1981–1983

| | 1981 | 1982 | 1983 |
|---|---|---|---|
| **Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)** | **689,452** | **793,950R** | **761,564** |
| Business Corporations | 385,198 | 415,424 | 348,008 |
| Employee Pension and Profit Sharing Funds | 132,586R | 154,329R | 214,629 |
| Insurance Companies and Other Financial Institutions | 48,119 | 81,013R | 52,464 |
| Unions | 1,630 | 9,240 | 1,149 |
| **Total Business Organizations** | **567,533** | **660,006R** | **616,250** |
| Churches and Religious Organizations | 16,823 | 23,373 | 21,069 |
| Fraternal, Welfare, and Other Public Associations | 15,266 | 18,570 | 16,629 |
| Hospitals, Sanitariums, Orphanages, Etc. | 6,197 | 7,082 | 6,461 |
| Schools and Colleges | 4,807 | 8,115 | 6,664 |
| Foundations | 605 | 1,578 | 1,824 |
| **Total Institutions and Foundations** | **43,698** | **58,718** | **52,647** |
| **Other Institutional Investors Not Classified (a)** | **69,854** | **187,843** | **117,939** |
| **Total** | **1,370,537** | **1,700,517** | **1,548,400** |

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Reporters of institutional data represented 71.6% of total accounts in 1981, 77.8% of total accounts in 1982, and 70.6% of total accounts in 1983.

R—Revised

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF MONEY MARKET FUNDS VALUE OF HOLDINGS, 1981–1983

(In Millions of Dollars)

| | 1981 | 1982 | 1983 |
|---|---|---|---|
| **Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)** | **$34,524.8** | **$42,880.8R** | **$39,973.4** |
| Business Corporations | 18,416.5 | 19,031.7 | 11,153.3 |
| Employee Pension and Profit Sharing Funds | 4,692.3R | 4,716.6R | 5,127.7 |
| Insurance Companies and Other Financial Institutions | 5,557.5 | 6,650.4R | 4,762.0 |
| Unions | 96.6 | 441.5 | 89.2 |
| **Total Business Organizations** | **$28,762.9** | **$30,840.2R** | **$21,132.2** |
| Churches and Religious Organizations | 533.2 | 691.3 | 500.8 |
| Fraternal, Welfare, and Other Public Associations | 737.1 | 708.7 | 528.8 |
| Hospitals, Sanitariums, Orphanages, Etc. | 464.5 | 576.6 | 424.3 |
| Schools and Colleges | 459.6 | 504.7 | 417.1 |
| Foundations | 22.6 | 77.9 | 92.7 |
| **Total Institutions and Foundations** | **$ 2,217.0** | **$ 2,559.2** | **$ 1,963.7** |
| **Other Institutional Investors Not Classified (a)** | **$ 1,591.6** | **$ 7,504.0** | **$ 2,046.8** |
| **Total** | **$67,096.3** | **$83,784.2R** | **$65,116.1** |

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

**NOTE:** Reporters of institutional data represented 65.9% of net assets in 1981, 67.8% in 1982, and 75.8% in 1983.

R—Revised

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF MONEY MARKET FUNDS BY TYPE OF FUND NUMBER OF ACCOUNTS, 1982 and 1983

| | General Purpose | | Broker/Dealer | | Institutional | |
|---|---|---|---|---|---|---|
| | 1982 | 1983 | 1982 | 1983 | 1982 | 1983 |
| Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators) | 392,404R | 359,376 | 221,476 | 234,127 | 180,070 | 168,061 |
| Business Corporations | 178,072 | 142,538 | 231,787 | 203,689 | 5,565 | 1,781 |
| Employee Pension and Profit Sharing Funds | 81,332R | 124,563 | 90,528 | 89,917 | 2,469 | 149 |
| Investment Companies and Other Financial Institutions | 14,353 | 16,700 | 57,659 | 31,044 | 9,001 | 4,720 |
| Others | 534 | 340 | 8,590 | 807 | 16 | 2 |
| Total Business Organizations | 274,391R | 284,141 | 368,564 | 325,457 | 17,051 | 6,652 |
| Churches and Religious Organizations | 12,284 | 12,180 | 10,830 | 8,807 | 259 | 82 |
| Fraternal, Welfare, and Other Public Associations | 8,314 | 7,793 | 10,017 | 8,799 | 239 | 37 |
| Hospitals, Sanitariums, Orphanages, Etc. | 3,192 | 3,133 | 3,769 | 3,279 | 121 | 49 |
| Schools and Colleges | 3,231 | 2,957 | 4,624 | 3,687 | 260 | 20 |
| Foundations | 381 | 1,001 | 1,197 | 823 | 0 | 0 |
| Total Institutions and Foundations | 27,402 | 27,064 | 30,437 | 25,395 | 879 | 188 |
| Other Institutional Investors Not Classified (a) | 113,819 | 69,553 | 73,532 | 47,305 | 493 | 1,081 |
| Total | 808,015R | 740,134 | 694,009 | 632,284 | 198,493 | 175,982 |

(a) Includes accounts which do not fall under other classifications and those for which no determination of classification can be made.

R = Revised

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF MONEY MARKET FUNDS BY TYPE OF FUND VALUE OF HOLDINGS, 1982 and 1983

| | General Purpose | | Broker/Dealer | | Institutional | |
|---|---|---|---|---|---|---|
| | 1982 | 1983 | 1982 | 1983 | 1982 | 1983 |
| Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators) | $ 5,855.1R | $ 6,510.6 | $ 4,547.4 | $ 3,465.9 | $32,478.3 | $29,996.9 |
| Business Corporations | 7,142.0 | 3,869.0 | 10,607.0 | 6,409.8 | 1,282.7 | 874.5 |
| Employee Pension and Profit Sharing Funds | 2,183.8 | 3,089.5 | 2,410.2R | 1,954.0 | 122.6 | 84.3 |
| Insurance Companies and Other Financial Institutions | 1,453.1 | 1,178.9 | 1,338.3R | 953.3 | 3,859.0 | 2,629.7 |
| Unions | 68.6 | 34.7 | 371.3 | 51.8 | 1.6 | 2.7 |
| Total Business Organizations | $10,847.5R | $ 8,172.1 | $14,726.8 | $ 9,368.9 | $ 5,265.9 | $ 3,591.2 |
| Churches and Religious Organizations | 278.5 | 275.0 | 379.0 | 212.4 | 33.8 | 13.4 |
| Fraternal, Welfare, and Other Public Associations | 240.4 | 201.4 | 436.8 | 311.1 | 31.5 | 16.3 |
| Hospitals, Sanitariums, Orphanages, Etc. | 245.3 | 199.9 | 285.5 | 201.0 | 45.8 | 23.4 |
| Schools and Colleges | 186.2 | 214.7 | 258.0 | 185.7 | 60.5 | 16.8 |
| Foundations | 16.1 | 57.6 | 61.8 | 35.0 | 0 | 0 |
| Total Institutions and Foundations | $ 966.5 | $ 948.6 | $ 1,421.1 | $ 945.2 | $ 171.6 | $ 69.9 |
| Other Institutional Investors Not Classified (a) | $ 1,754.3 | $ 918.5 | $ 5,681.4 | $ 589.2 | $ 68.3 | $ 539.1 |
| Total | $19,423.4 | $16,549.8 | $26,376.7R | $14,369.2 | $37,984.1 | $34,197.1 |

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

R = Revised

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF SHORT-TERM MUNICIPAL BOND FUNDS NUMBER OF ACCOUNTS, 1981–1983

| | 1981 | 1982 | 1983 |
|---|---|---|---|
| **Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)** | **8,238** | **14,148** | **19,804** |
| Business Corporations | 1,077 | 2,644 | 3,487 |
| Employee Pension and Profit Sharing Funds | 33 | 51 | 226 |
| Insurance Companies and Other Financial Institutions | 1,000 | 3,802 | 3,715 |
| Unions | 20 | 13 | 11 |
| **Total Business Organizations** | **2,130** | **6,510** | **7,439** |
| Churches and Religious Organizations | 8 | 16 | 14 |
| Fraternal, Welfare, and Other Public Associations | 4 | 17 | 24 |
| Hospitals, Sanitariums, Orphanages, Etc. | 3 | 9 | 13 |
| Schools and Colleges | 3 | 9 | 44 |
| Foundations | 0 | 0 | 1 |
| **Total Institutions and Foundations** | **18** | **51** | **96** |
| **Other Institutional Investors Not Classified (a)** | **1,518** | **1,196** | **3,754** |
| **Total** | **11,904** | **21,905** | **31,093** |

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Short-term municipal bond fund reporters represented 87.7% of total accounts in 1981, 89.5% in 1982, and 81.3% in 1983.

## FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF SHORT-TERM MUNICIPAL BOND FUNDS VALUE OF HOLDINGS, 1981–1983

| | 1981 | 1982 | 1983 |
|---|---|---|---|
| **Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)** | $2,036.3 | $5,247.8 | $5,573.3 |
| Business Corporations | 373.0 | 958.5 | 778.3 |
| Employee Pension and Profit Sharing Funds | 0.5 | 3.2 | 3.7 |
| Insurance Companies and Other Financial Institutions | 569.1 | 1,614.1 | 1,324.4 |
| Unions | 3.2 | 1.4 | 0.8 |
| **Total Business Organizations** | $ 945.8 | $2,577.2 | $2,107.8 |
| Churches and Religious Organizations | 0.6 | 1.5 | 1.0 |
| Fraternal, Welfare, and Other Public Associations | 1.1 | 10.5 | 4.5 |
| Hospitals, Sanitariums, Orphanages, Etc. | 0.1 | 1.1 | 0.3 |
| Schools and Colleges | 0.2 | 0.8 | 1.4 |
| Foundations | 0.0 | 0.0 | 0.1 |
| **Total Institutions and Foundations** | $ 2.0 | $ 13.9 | $ 7.3 |
| **Other Institutional Investors Not Classified (a)** | $ 127.5 | $ 109.1 | $ 298.7 |
| **Total** | $3,111.6 | $7,948.0 | $7,987.1 |

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Short-term municipal bond fund reporters represented 89.8% of total net assets in 1981, 67.8% in 1982, and 85.8% in 1983.

## ASSETS OF MAJOR INSTITUTES AND FINANCIAL INTERMEDIARIES

(In Millions of Dollars)

| | 1976 | 1977 | 1978 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|
| **Savings Institutions** | | | | | | | |
| Commercial Banks | $1,030,700 | $1,166,000 | $1,284,000 | $1,576,600 | $1,808,700 | $1,972,200 | $2,113,100 |
| Credit Unions A | N/A | N/A | N/A | N/A | 60,611R | 69,572R | 82,854P |
| Mutual Savings Banks | 134,812 | 147,287 | 158,174 | 171,564 | 175,728 | 172,287C | 189,146E |
| Savings & Loan Associations | 391,907 | 459,241 | 523,542 | 630,712 | 664,167 | 706,021P | 769,316P |
| **Insurance** | | | | | | | |
| Fire & Casualty | $ 112,091 | $ 134,339 | $ 158,855 | $ 211,420 | $ 226,732 | $ 248,362R | $ 263,200 |
| Life | 321,552 | 351,722 | 389,924 | 479,210 | 525,803 | 588,103 | 652,904E |
| **Investment Institutions** | | | | | | | |
| Bank Administered Trusts B | N/A | N/A | $ 441,801 | $ 571,194 | $ 585,788 | $ 689,040 | N/A |
| Closed-End Investment Companies | $ 9,319 | $ 7,373 | $ 8,039 | $ 7,920 | $ 7,088C | $ 7,498C | $ 9,218C |
| Mutual Funds D | 50,908 | 48,548 | 55,828 | 134,761 | 241,355 | 296,600 | 292,985 |
| **Pension Funds** | | | | | | | |
| Private (non-insured) | $ 171,900 | $ 178,300 | $ 198,300 | $ 285,800 | $ 294,800 | N/A | N/A |
| Government | 175,000 | 193,800 | 222,400 | 283,600 | 317,700 | N/A | N/A |

A—Includes only federal or federally insured state credit unions serving natural persons.
B—Reflects only discretionary trusts and agencies.
C—As of September 30.
D—Includes Short Term Funds.
E—As of November 30.
P—Preliminary.
N/A—Not available.
R—Revised.

# Index


Page No.

**Accounts**
See Shareholder Accounts

**Aggressive Growth Funds**
General description 15

**Assets**
Percent distribution by type of fund 22
Annually 1940-1983 24
By investment objective 1982-1983 28
By fund characteristics 1980-1983 61
By investment objective within method of distribution 1976-1983 62
Equity, bond, and income funds 1966-1983 60

**Automatic Reinvestment**
Description 12
Dividends 12
Capital gains 12

**Balanced Funds**
General description 15

**Bond Funds**
General description 15

**Business Shareholder Accounts**
See Institutional Shareholders

**Capital Gains Distributions**
Description 12
Amounts 13
See Distributions to Shareholders

**Church and Religious Organizations Accounts**
See Institutional Shareholders

**Contractual Plans**
General description 14

**Distributions to Shareholders**
Capital gains, general description 12

# Index


Page No.

**Distributions to Shareholders** (cont.)
- Capital gains, 1975-1982 ... 13
- Capital gains, equity, bond, and income funds ... 67
- Investment income dividends, general description ... 12
- Investment income dividends 1971-1983 ... 13
- Investment income dividends, equity, bond and income funds ... 67

**Diversification**
- General description ... 17
- Common stock holdings by industries:
  - In percentages ... 20
  - In dollars ... 19

**Equity, Bond, and Income Funds**
- Portfolio composition, 1983 ... 18
- Sales, redemptions and assets ... 25
- Sales by selected states ... 40
- Shareholder accounts, total net assets and cash position ... 59
- Distribution of assets 1966-1983 ... 60
- Type of shareholder accounts 1971-1983 ... 63
- Capital changes ... 64
- Annual repurchase (redemption) rate ... 65
- Distributions to shareholders ... 67

**Exchange Privilege**
- General description ... 14
- Sales redemptions and net sales by investment objective ... 81

**Fiduciary Investors**
- See Institutional Shareholders

**Glossary of Mutual Fund Terms** ... 53

**Growth Funds**
- General description ... 15

**Growth-And-Income Funds**
- General description ... 15

**Historical Background** ... 10

# Index


Page No.

**Hospital, Orphanages and Foundation Accounts**
See Institutional Shareholders

**Income Funds**
General Description . . . 15

**Individual Retirement Accounts**
See Retirement Plans

**Institutional Shareholders**
General description . . . 41
Assets in mutual funds . . . 98
Assets by type of institution . . . 98
Fiduciary, business and institutional investors of mutual funds excluding money market funds . . . 89
Fiduciary, business and institutional investors of equity, bond, and income funds, number of accounts . . . 90
Fiduciary, business and institutional investors of equity, bond, and income funds, value of holdings . . . 91
Fiduciary, business and institutional investors of money market funds, number of accounts . . . 92
Fiduciary, business and institutional investors of money market funds, value of holdings . . . 93
Fiduciary, business and institutional investors of money market funds by type of fund, number of accounts . . . 94
Fiduciary, business and institutional investors of money market funds by type of fund, value of holdings . . . 95

**Investment Income Dividends**
See Distributions to Shareholders

**Investment Objectives**
Number of mutual funds classified . . . 9

**Keogh Plans**
See Retirement Plans

**Labor Union Accounts**
See Institutional Shareholders

**Money Market Funds**
General description . . . 15

# Index


Page No.

**Money Market Funds** (cont.)
- Average annual yield 11
- Asset composition 18
- Sales, redemptions, net sales and assets 1974-1983 25
- Shareholder accounts by type of fund 31
- Average account size 31
- Sales and redemptions by type of funds 33
- Growth 1974-1983 83
- Assets by type of fund 84
- Shareholder accounts by type of fund 86
- Asset composition 1978-1983 87

**Municipal Bond Funds**
- General description 15

**New Money Flow to Mutual Funds** 66

**Option/Income Funds**
- General description 15

**Pension and Profit Sharing Accounts**
- See Institutional Shareholders

**Portfolio Activity**
- Composition of equity, bond, and income funds 1983 18
- Diversification of common stocks by industries, percentages 20
- Diversification of common stocks by industries, dollars 19
- Total purchases, total sales and net purchases of securities 77
- Total purchases, total sales and net purchases of common stocks 78
- Total purchases, total sales and net purchases of securities other than common stocks 29
- Purchases and sales by fund characteristics 80

**Professional Management** 17

**Purchases (Sales) of Mutual Fund Shares**
- Selling mutual Funds 38
- Equity, bond and income funds 25
- Money market funds 25
- Short-term municipal bond funds 25
- By investment objective 28
- By fund characteristics 68

# Index


Page No.

**Purchases (Sales) of Mutual Fund Shares** (cont.)
- Equity, bond and income funds by fund characteristics 70
- By investment objective within method of distribution 71
- Equity, bond and income funds by states and geographical regions by method of distribution 73

**Redemptions (Repurchases)**
- Equity, bond and income funds 25
- Money market funds 25
- Short term municipal bond funds 25
- Equity, bond and income funds by fund characteristics 70
- By investment objective within method of distribution 71

**Regular Accounts**
- See Shareholder Accounts

**Regulation and Taxation** 52

**Reinvestment**
- See Automatic Reinvestment

**Retirement Plans**
- General descriptions 45
- The Retirement Market 43
- Keogh assets and accounts by investment objective 1983 88
- IRA assets and accounts by investment objective 1983 88

**Sales of Mutual Fund Shares**
- See Purchases of Mutual Fund Shares

**Services**
- Automatic reinvestment 12
- Exchange privilege 14
- Withdrawal plans 14

**Shareholder Accounts**
- Number of, 1940, 1950, 1960, 1970, 1971, 1973, 1975, 1977, 1979, 1981, 1983 24
- Characteristics of individual shareholders by type of fund 37
- Total net assets and cash position of equity, bond, and income funds 1965-1983 59
- Type of accounts of equity, bond, and income funds 1971-1983 63

# Index


Page No.

Short-Term Municipal Bond Funds
General description . . . . . 15
Sales, redemptions, net sales and assets 1979-1981 . . . . . 25

Simplified Pension plans
General description . . . . . 45

Survey of Investor Needs . . . . . 35

Taxation
See Regulation and Taxation

Withdrawal Plans
General description . . . . . 14